

5/19/78

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<p>Memo</p> <p>memo</p>	<p>David Aaron to Pres. Carter, w/attachments 4 pp., re: Intelligence Charter Legislation</p> <p style="text-align: center;">OPENED 4/12/94</p> <p>Fran Voorde to the President's meeting w/Second Grde Claas, Abraham Lincoln School, Bangor, ME RE: SSANS</p>	<p>5/18/78</p> <p>5/20/78</p>	<p>A</p> <p>C</p>

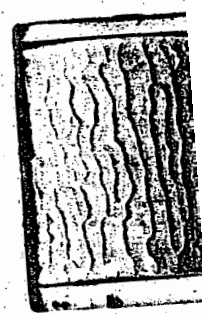
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0655



THE WHITE HOUSE
WASHINGTON

May 19, 1978

David Aaron

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: The Vice President
Hamilton Jordan
Bob Lipshutz

~~SECRET~~ ATTACHMENT



THE WHITE HOUSE

WASHINGTON

May 18, 1978

~~SECRET~~ACTION

MEMORANDUM FOR:

THE PRESIDENT

FROM:

DAVID AARON *DA*

SUBJECT:

Intelligence Charter Legislation (S2525)

Be sure not to approve Charter provisions which are excessively detailed, specific or an intrusion into my duties & responsibilities

JC

The SCC has met to begin its consideration of S2525 in preparation for the Administration-Senate Select Committee senior staff discussions envisaged in your recent talk with Senators Bayh and Huddleston.

As you will note from the attached "Summary of Conclusions," (Tab A) the SCC endorsed in principle and subject to working out secondary technical issues, the proposed charters for CIA, NSA and the foreign and counterintelligence activities of the FBI. Each of these charters is consistent with the provisions of your E. O. 12036.

The SCC also approved in substance a set charter legislation principles. These are intended to provide a broad framework for our collective efforts on charter legislation in the months ahead both within the Administration and in dealing with Congress. The principles are in effect a general critique of S2525 but they are couched in a positive sense. They represent a broad consensus within the Intelligence Community and among SCC members.

Other significant SCC judgments included:

- Serious consideration should be given to proposing additional legislation for dealing with unauthorized disclosure of national security information. Such an initiative would, however, have a large and perhaps even explosive impact on the entire legislative charter process and all agreed that it needs to be thought through carefully. Justice is preparing a special study paper. We should proceed on this, but with great caution.

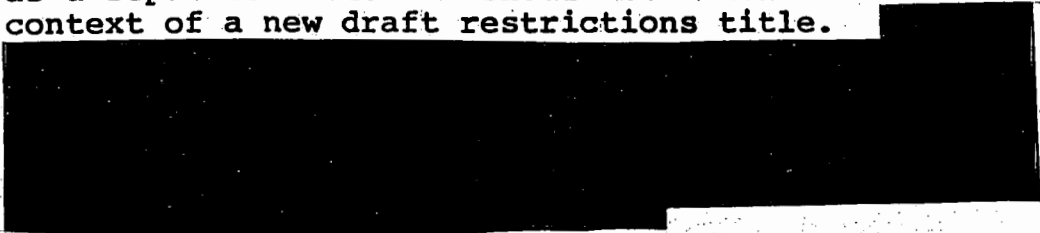
I agree

SANITIZED

E.O. 12356, Sec. 3.4

PER *12/22/93 NLR* RE *MR-NLR-92-24*
BY *CPH* NARS DATE *4/5/94*~~SECRET~~

-- All agreed that the surveillance issues (electronic, physical, etc.) should not be treated in isolation as a separate title and should be considered in the context of a new draft restrictions title.



If you approve the SCC judgments, we will open immediate senior staff level discussions with the Senate Select Committee Staff on the topics thus far considered. The SCC, in the meantime, will go on to consider the community organizational issues raised in Title I and initiate drafting of a new restrictions section more in line with E. O. 12036.

RECOMMENDATION:

That you initial the "Summary of Conclusions" at Tab A thereby indicating for the record your approval.

Attachment

DECLASSIFIED

E.O. 12356, Sec. 3.4

PER 12/22/93 NSCH RE MR NLC-92-26
BY Q NARS, DATE 4/5/94

~~SECRET~~

SPECIAL COORDINATION COMMITTEE MEETING

May 15, 1978

Time and Place: 4:30 p.m. - 6:00 p.m., White House
Situation Room

Subject: Legislative Charters for Intelligence
Community

Participants:

State

Ben Reed, Under Secretary for Admin
Herbert Hansell, Legal Adviser

White House

David Aaron (Acting
Chairman)

Defense

Secretary Harold Brown
Deanne Siemer, General Counsel

NSC

Samuel Hoskinson
Robert Rosenberg

JCS

General William Smith

CIA

Admiral Stansfield Turner
Frank Carlucci,
Deputy Director
Tony Lapham, General
Counsel

Justice

Attorney General Griffin Bell
John Harmon, Assistant Attorney
General, Office of Legal Counsel

OMB

Randy Jayne, Associate
Director for National
Security and
International Affairs

NSA

Vice Admiral Bobby Inman

FBI

Director William H. Webster
John Hotis, Inspector, FBI

SUMMARY OF CONCLUSIONS

The SCC met to begin its consideration of S2525 introduced by the Senate Select Committee on Intelligence (SSCI). Issue papers had been prepared by a special Senior Working Group and reviewed by the National Foreign Intelligence Board. The agenda included consideration of a statement of charter legislation principles, Title VI (NSA), Title V (FBI), Title IV (CIA) and Title III (Foreign Intelligence Surveillance.)

~~SECRET~~

DECLASSIFIED

E.O. 12356, SEC. 3.4(b)

WHITE HOUSE GUIDELINES, FEB. 24, 1983

BY Q NARS, DATE 4/5/94

Z. Brzezinski

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Impossible to Determine
(effective date or event, if any)

THE PRESIDENT'S SCHEDULE

Friday - May 19, 1978

7:30 Breakfast with Vice President Walter F. Mondale,
(90 min.) Secretary Cyrus Vance, and Mr. Hamilton Jordan.
 The Cabinet Room.

9:00 Mr. David Aaron - The Oval Office.

9:30 Mr. Frank Moore - The Oval Office.

10:00 Meeting with Senators Russell B. Long,
(20 min.) Herman E. Talmadge, and Abraham A. Ribicoff.
 (Mr. Frank Moore) - The Cabinet Room.

10:30 Greet Group of Democratic State Chairmen.
(10 min.) (Mr. Tim Kraft) - The Roosevelt Room.

10:45 Mr. Jody Powell - The Oval Office.

11:45 Meeting with Leaders/Representatives of
(15 min.) National Veterans Organizations. (Ms. Anne
 Wexler) - The Cabinet Room.

12:00 Lunch with Senator John C. Stennis - Oval Office.

1:00 Meeting with Editors. (Mr. Jody Powell).
(30 min.) The Cabinet Room.

10:00 AM

THE WHITE HOUSE
WASHINGTON

May 18, 1978

MEETING WITH SENATORS LONG, TALMADGE AND RIBICOFF

Friday, May 19, 1978
10:00 a.m. (20 minutes)
Cabinet Room

From: Frank Moore *fm/pd*

I. PURPOSE

To discuss national health insurance.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: Most news reports of White House meetings on national health insurance have focused on Senator Kennedy who could be considered a rival by Senators Long, Talmadge and Ribicoff.

The Senate Finance Committee has jurisdiction over the national health insurance legislation. Senator Long is Chairman of this Committee and Senator Talmadge is Chairman of its Subcommittee on Health. Senator Ribicoff is one of 3 major co-sponsors, along with Long and Talmadge, of the most popular national health insurance bill in the Senate.

In addition to serving as Chairman of the Finance Committee, Senator Long also serves on the Committee on Commerce, Science and Transportation; the Joint Economic Committee; and is Chairman of the Joint Committee on Taxation. His wife's name is Carolyn.

Senator Talmadge is Chairman of the Committee on Agriculture, Nutrition and Forestry and serves on the Committee on Finance; Committee on Veterans' Affairs; and the Joint Committee on Taxation.

Senator Ribicoff serves as Chairman of the Committee on Governmental Affairs; the Committee on Finance; the Select Committee on Ethics; the Joint Committee on Taxation; and the Joint Economic Committee. His wife's name is Lois.

The Domestic Policy staff has prepared additional information regarding national health insurance and hospital cost containment which is bound to be discussed.

B. Participants: The President
Senator Russell B. Long (D-La)
Senator Herman E. Talmadge (D-Ga)
Senator Abraham Ribicoff (D-Conn)
Frank Moore
Stu Eizenstat
Dan Tate
Joe Onek

C. Press Plan: White House Photo.

III.

TALKING POINTS

To be covered in the Domestic Policy memorandum.

THE WHITE HOUSE

WASHINGTON

May 18, 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Shu*
JOE ONEK

SUBJECT: Meeting with Senators Long, Ribicoff
and Talmadge, Friday, May 19, 1978
10:00 a.m., Cabinet Room

The purpose of this meeting is to discuss National Health Insurance. It is likely that Hospital Cost Containment will come up as well.

NHI Background

As key members of the Senate Finance Committee, Senators Long, Ribicoff and Talmadge will play a crucial role in any National Health Insurance legislation. Their Committee has broader jurisdiction in the health area than the Human Resources Subcommittee chaired by Senator Kennedy.

Senators Long, Ribicoff and Talmadge are opposed to a comprehensive National Health Insurance plan. The Long/Ribicoff bill, which they reintroduced today, expands Medicaid to cover a family of four with income under \$5,400 and provides catastrophic coverage after 60 days of hospitalization and \$2,000 in physician expenses. The bill constitutes a significant gain for the non-working poor. But it does little for the working poor or the middle class (unless they spend enough on medical care to reduce their net income to the Medicaid level) other than slightly reducing the cost of private insurance by providing catastrophic coverage.

The Long/Ribicoff bill is itself expensive -- with additional federal budget costs of about \$15-20 billion. Indeed, it is possible that neither Long nor Talmadge really want the bill to pass, but simply use it defensively to ward off more comprehensive legislation. In speeches Talmadge has made clear that we must get costs under control before legislating major expansion of benefits. And both Long and Talmadge are aware of the soaring costs of the End Stage Renal Disease Program -- a prototype catastrophic program.

Senator Ribicoff's opposition to a comprehensive plan is perhaps based less on cost than on the fear that it will prove unadministrable. The Long/Ribicoff bill, of course, reduces administrative burdens on the government because it does not intervene significantly with a \$40 billion private insurance sector.

Many of your key advisors support the Long/Ribicoff approach or a variant thereof, primarily because of the inflationary impact of a more comprehensive approach. Their views and opposing views will be presented to you next week as part of the NHI PRM process.

Talking Points

-- You have an open mind on NHI and will be reviewing decision memoranda on NHI principles over the next three weeks. You now lean towards a more comprehensive approach than Long/Ribicoff but are awaiting the views of your Cabinet and other advisors.

-- You have made no substantive commitments to anyone on NHI but have agreed to submit a proposal this session.

-- You are mindful of the problems of inflation and will deal with it in whatever NHI plan you choose by insisting on strong cost containment measures and a long phase-in period.

-- You are also mindful of the problems with further reliance on payroll taxes and have insisted that your NHI planners take them into account.

-- You will consult with them at every stage of your NHI deliberations.

Hospital Cost Containment Background

The present status of cost containment legislation is that bills similar to the Administration's have been reported by the full Senate Human Resources Committee and the Rogers Subcommittee of Interstate Commerce. The Rostenkowski Subcommittee of Ways and Means reported a bill providing for controls along Administration lines only if hospitals fail voluntarily to reduce the increase in hospital costs by 2% in 1978 and a further 2% in 1979. It is now generally conceded that any bill enacted will include this "voluntary" feature.

In the last week, Talmadge's staff has produced a new proposal which may form the basis of a compromise. It is now being closely studied by White House and HEW staff and by Rogers, Rostenkowski and Kennedy.

In the past, Talmadge has opposed our cap on hospital costs and called for long-term reimbursement reform under which hospitals would be classified in particular groups (e.g. rural hospitals under 100 beds) and no hospital would be reimbursed more than 115% of the average cost of its group. Hospitals which came in under average cost for their group would get a bonus. The compromise which the Talmadge staff is suggesting would begin to put this long-term system into place. However, if hospitals do not meet the voluntary goals set forth in the Rostenkowski bill, Talmadge would agree to a cap which is similar in effect to the Administration's.

Negotiations are also underway with the AFL-CIO to see if, by adopting a mutually acceptable wage pass-through provision, we can obtain their support for cost containment legislation. Senators Talmadge and Long are likely to oppose any pass-through.

Talking Points

-- Hospital Cost Containment is a high priority item to this Administration.

-- You appreciate Senator Talmadge's efforts to develop a new proposal which may form the basis for a compromise. From what you have heard, his proposal contains many elements which should be acceptable to everyone.

-- You will be glad to help hammer out a compromise proposal and you will work hard to help pass any acceptable compromise bill.

1:00 PM

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

May 18, 1978

TO: The President

FROM: Walt Wurfel *WW*

RE: You Q and A session with Non-Washington editors,
1:00 p.m., Friday, May 19, Cabinet Room

This group will meet with you after being briefed by Max Cleland, Donna Shalala (HUD), Eula Bingham, and Mary King. After meeting with you, they will be briefed by Lyle Gramley and Scotty Campbell. (An agenda is attached.)

The participants come from 22 states. Eighteen represent print media. Nine are broadcasters. (A list of participants is attached.)

I will stop the Q&A after 25 minutes to allow for individual pictures of the editors with you. Two photographers will be present to keep the time involved to less than five minutes.

A photo pool will be in the Cabinet Room the first two minutes.

THE WHITE HOUSE

WASHINGTON

A G E N D A

Editors' Briefing

May 19, 1978

8:30 - 8:40 a.m.	Coffee
8:40 - 9:00 a.m.	Welcome WALT WURFEL, Deputy Press Secretary PATRICIA BARIO, Associate Press Secretary JANET McMAHON, Deputy Editor of the White House News Summary
9:00 - 10:00 a.m.	MAX CLELAND Administrator Veterans Administration
10:00 - 10:15 a.m.	Break
10:15 - 11:00 a.m.	DONNA SHALALA Assistant Secretary for Policy Development and Research Department of Housing and Urban Development
11:00 - 11:45 a.m.	EULA BINGHAM Assistant Secretary of Labor for Occupational Safety and Health Department of Labor
11:45 - 12:00 noon	Buffet Lunch
12:00 - 12:35 p.m.	Luncheon Speaker MARY KING Deputy Director ACTION
12:35 - 12:45 p.m.	En Route to Cabinet Room
12:45 - 1:00 p.m.	JODY POWELL Press Secretary
1:00 - 1:30 p.m.	Q & A WITH PRESIDENT CARTER
1:30 - 2:15 p.m.	Filing Time
2:15 - 3:00 p.m.	LYLE GRAMLEY Member Council of Economic Advisors
3:00 - 3:45 p.m.	ALAN K. (SCOTTY) CAMPBELL Chairman Civil Service Commission

MAY 19 BRIEFING
PARTICIPANTS

ALABAMA: Dr. Marvin L. Barron, publisher, Rainsville Sand Mountain News. Fast growing weekly in a conservative, rural community. Barron is a dentist and president of the Rainsville Bank. Concerns: TVA, foreign spending.

ARIZONA: Jonathan Marshall, editor and publisher, daily Scottsdale Progress. Most Democratic, pro-Carter paper in Phoenix area. Marshall was the last Democratic nominee against Barry Goldwater, Sr. He is a friend of Senator DiConcini, is extremely liberal for this area.

FLORIDA: Richard Moore, program director, WLCY-TV, Tampa-St. Petersburg.

GEORGIA: Bill Shipp, associate editor, Atlanta Constitution.

IDAHO: Sal Celeski, news director, KTVB-TV, Boise. Recommended by Cecil Andrus.

ILLINOIS: Reverend Ruben Cruz, producer, WLS-TV, Chicago. Active in your '76 campaign.

IOWA: Larry Schmitz, news director, KLEM Radio, LeMars. (Iowa Radio Network). Schmitz was one of the first in the state to interview you -- February, 1975.

KANSAS: Steve Moberg, news director, KOYY Radio, El Dorado.

MARYLAND: Robert Horowitz, editor, Montgomery Journal, Chevy Chase. Published twice a week. Concerns: civil service reform, national health insurance, and D.C. convention center.

MASSACHUSETTS: David Gilton, news director, WILD Radio, Boston. (Black)

MICHIGAN: Grattan Gray, editor, Monroe News. Daily in a predominantly white, Catholic community. Monroe is economically depressed and has a large senior citizen population. Concerns: employment, pollution, flooding.

Werner Veit, editor, Grand Rapids Press. (Booth Newspapers). Concerns: HUD reorganization. Against Panama Canal Treaties. Part of an eight-paper Michigan chain recently bought by Newhouse.

MINNESOTA: John R. Finnegan, executive editor, Dispatch and Pioneer Press, St. Paul. (Knight-Ridder). Concerns: government reform, federal wilderness area designations, abortion.

MONTANA: Donald Coe, publisher, Plainsman. Weekly, western Montana. Concerns: timber policy, Indian rights, Amtrak. Has an 80-year old local subscriber named Jimmy Carter.

NEW HAMPSHIRE: Barry Bagnato, news director, WESN Radio, Dover.

NEW YORK: John Corporan, vice president, news, WPIX-TV, New York City.

Lee Dunaief, co-editor, weekly Village Times, Setauket, Long Island. Setauket is in the Barrier Beach, Fire Island, area that was devastated by storms last winter. Concerns: public works, environmental issues.

Les Payne, reporter, Newsday, Garden City, Long Island. Payne chairs a committee of the National Association of Black Journalists. He was on the team which won a Pulitzer Prize for the investigation of heroin influx from Turkey. This year's Pulitzer jury recommended him to receive the foreign reporting prize for his coverage of South Africa.

NORTH CAROLINA: Milton Jordan, urban affairs reporter, Charlotte Observer (Knight-Ridder). Concerns: stalled appointment of Fourth Circuit Court of Appeals Judge (John McMillan), tobacco. Supported Middle East planes package. Jordan is on the Board of the National Association of Black Journalists.

PENNSYLVANIA: John Troan, editor, Pittsburgh Press (Scripps-Howard). Troan is strongly Republican, consistently against your Administration. Concerns: steel, EPA, social security, bridge closings in area.

SOUTH CAROLINA: L. Dewey James, Jr., associate editor, Florence Morning News. Concerns: unemployment, export of soybeans and tobacco. Supported Middle East planes package. Early support for Panama Canal Treaties.

TEXAS: Ben Boyett, news director, KAMR-TV, Amarillo.

Wayne Sellers, publisher and editor, daily Herald-Press, Palestine. Concerns: energy, railroad maintenance. Strongly supported Panama Canal Treaties. Recommended by Senator Bentsen.

WASHINGTON:

Donald K. Duncan, managing editor, Tacoma News Tribune. Independently owned daily. Concerns: supportive of nomination of Jack Tanner for Federal Judgeship, water projects, shipping, busing. (Tanner was confirmed by the full Senate Wednesday.)

Susan H. Miller, assistant city editor, Bremerton Sun. Daily in Olympic Peninsula region. Concern: Trident Nuclear Submarine base.

WISCONSIN:

Robert S. Gallagher, editor, daily La Crosse Tribune. Concerns: IRS fluctuating ruling on how windfall profits on refinanced bonds must be used, elimination of federal weather service station. Progressive editor of a very conservative paper.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

9
/

May 19, 1978

MEMORANDUM TO THE PRESIDENT

FROM: James T. McIntyre, Jr. *Jim*
SUBJECT: Border Management, Immigration and Law
Enforcement Reorganizations

As you know, pursuant to our meeting with you on April 24 we are preparing a decision memorandum for you on these reorganization proposals which have been under study for almost a year. One of the elements essential to the reorganization is the better coordination of visa and immigration policy.

We understand that this subject may have been raised in your meeting with Secretary Vance this morning.

We plan to submit a decision memorandum to you shortly concerning these reorganizations. I would like to ask that you withhold any decision regarding visa matters until you have had a chance to consider the Reorganization Projects memorandum on the subject.

THE WHITE HOUSE

WASHINGTON

May 19, 1978

C

PERSONAL AND CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *FM.*

I just want to thank you for allowing Nancy, the children, my mother and myself to go to Camp David last weekend. It was a wonderful Mother's Day and one that my mother will always remember because of the thoughtfulness of you and Rosalynn.



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

MAY 19 1978

C
—

MEMORANDUM FOR THE PRESIDENT
Attention: Mr. Rick Hutcheson

From: Brock Adams

A large, handwritten signature in black ink, which appears to read 'Brock Adams', is written over the 'From' line and extends into the 'Subject' line.

Subject: Policy Direction for Railroads

We welcome the opportunity OMB's Spring Preview provides to discuss with you and to obtain your views on future directions for policy toward the freight railroad industry. It is particularly timely, as the Department is now completing a major, year-long study of the industry directed by Congress in the Railroad Revitalization and Regulatory Reform Act of 1976 (4R Act). That study, now under final review by the Department and OMB, examines the underlying reasons for the present financial situation of the industry. It also sets forth policies the Government can pursue to improve the industry's financial condition and to assure that it will continue to meet the needs of the economy.

We are not, today, prepared to present a detailed program or to suggest specific changes that must be made in present programs to achieve our objectives for the railroad industry. We agree with OMB, however, that it is timely to seek policy direction.

We also agree broadly with OMB's description and diagnosis of the problems facing the industry. It draws upon the findings of our current study.

We would add to the OMB description some thoughts about the importance of rail service to the Nation's economy: Railroads are the dominant transport mode for most raw materials and agricultural products. They handle over 70 percent of coal ton miles and 60 percent of grain. They are the dominant mode for many manufactured products as well:

- 77% of pulp and paper products
- 73% of automotive products
- 66% of foodstuffs
- 60% of chemicals
- 60% of primary metals
- 40% of Defense Department traffic.

The success of your energy policies are dependent in part on increased coal production and the capability of railroads to transport it efficiently and safely. Trains are the most energy-efficient mode for a large range of products; they consume one-third as much energy to move a given volume of freight as trucks. Because of the nature of waterways, railroads often even have an energy advantage over barges. Rail service is a vital link in our exports of coal and grain, especially, and helps prevent further reliance on imports of oil, steel and autos. Railroads also provide (well paying) jobs for a half million workers, in contrast to the more capital intensive barge and pipeline modes.

In short, railroads are an absolutely essential and basic part of the national transportation system on which the commerce of the Nation depends. It is important that Federal policies are carefully designed to deal effectively and on a timely basis with their problems.

Our preferred policy direction, and that which we have been pursuing with the tools available to us, lies in between OMB's Alternative I and II. We have sought neither to rely exclusively on market forces (which are frustrated by a near-century of regulatory and political impediments) nor on any policy of "bailing out" all rail companies. Broadly, we would describe our approach as follows:

To encourage industry self-sufficiency through policies that support necessary disinvestment and encourage needed regulatory, structural, and other changes through the use of limited, targeted, and largely repayable Federal assistance.

This approach -- like OMB's Alternative II:

- Assumes above all that the railroads should remain in the private sector and that the Administration wants to avoid permanent operating or capital grant programs for the railroads.
- Recognizes that rapid disinvestment, pushing carriers into bankruptcy, and excessive service cutbacks cannot be tolerated economically or politically and indeed could lead to regional dislocations that could force even deeper Federal involvement.

We must also note that our approach -- like OMB's Alternative II -- will be politically difficult to carry through as it will require significant adjustments by shippers and industries while the railroad system is being restructured and streamlined.

We are moving in this policy direction now with the authorities and programs provided by the 4R Act of 1976. Experience under the Act is limited but has shown that changes may be needed to improve its effectiveness.

Our strategy for the future will emphasize the following:

- Individual railroad corporations will be allowed to go out of business or be reorganized with an alternative route structure. Our concern is for the essential rail services, not the corporations which provide them, but we believe that this thinning down process can occur only if transitional aid is offered to workers who lose their jobs.
- Rail abandonments should be allowed to occur when lines no longer provide useful service. We need to allow this process to occur more rapidly, and to allow existing branchline subsidy funds to be used for rehabilitation of lines that could be profitable if fixed up. (Our legislative proposal to do this is before the Congress.) Funds could be used to provide assistance to local areas losing rail service for a two-year period, to facilitate the transition to alternative freight service (trucks or barges).
- Regulatory or perhaps legislative changes will be proposed to give railroads even greater freedom to set their own rates. Such authority was granted in the 4R Act of 1976, but full implementation has been frustrated by the ICC and court decisions.
- User charge levels for competing freight modes will be reexamined. Major progress is being made, of course, in establishing user charges for barges. Effecting major changes in truck user charges would be even more difficult. The railroad industry, however, regards this policy redirection -- for both competing modes -- as vital in any program to improve their long-term competitive position and hence their financial condition, but political obstacles and the potential for inflationary side effects are great.
- Federal assistance, mainly in the form of loans, loan guarantees, and repayable credits, will be offered for capital improvements to rebuild track and overcome deferred maintenance. The assistance would be targeted and conditioned in ways that will further the restructuring process.
- A limited grant program may be proposed to pay for labor transition costs beyond those which can be reasonably absorbed through increased productivity. Parallel efforts may also be proposed to achieve public objectives not clearly related to railroad revenue production -- such as grade crossing protection or elimination for safety reasons or facility consolidations to make land available for urban development objectives.

- Overall, we believe that the level of financial assistance necessary to restore health to the industry will, over the next several years, approximate what we are authorized to spend on this objective under the 4R Act and pending further authorizations for Conrail. Additional aid to achieve other public purpose objectives would, of course, have to be weighed against competing national objectives.
- Even at this level of spending and with the policy changes indicated, we probably will not "solve" the financial problem of the railroads, and they will continue their decline relative to other modes. We will, however, be able to avoid the serious economic dislocations that would result from a "hands off" policy toward the rail industry.

These approaches will be suggested in our major study soon to be issued publicly and transmitted to the Congress, after review by the appropriate Cabinet agencies and by you. We will be seeking public, industry, and Congressional comments on these and other proposals. On the basis of those comments and our continuing studies, a final report will be prepared for issuance in January 1979. Any specific program, budget, and legislative changes we believe are necessary will be recommended to you in time for that report.

THE WHITE HOUSE

WASHINGTON

May 19, 1978

To Mike Pertschuk

Thanks for sending me a copy of
your remarks. And I certainly don't
mind being the "straight man".

Sincerely,

A handwritten signature in cursive script, appearing to read "Jimmy". The signature is written in dark ink and is positioned below the word "Sincerely,".



OFFICE OF
THE CHAIRMAN

FEDERAL TRADE COMMISSION
WASHINGTON

May 8, 1978

MEMORANDUM

TO: President Jimmy Carter

FROM: Mike Pertschuk

I deliver the attached speech tomorrow
in Atlanta and thought you might be interested.
I hope you don't mind playing the straight man.

Attachment

REMARKS OF

MICHAEL PERTSCHUK
CHAIRMAN, FEDERAL TRADE COMMISSION

BEFORE

ATLANTA NORTHEAST AREA COUNCIL
SHERATON NORTHLAKE INN

ATLANTA, GEORGIA

MAY 9, 1978

FTC: Inflation Fighter

Last week in Los Angeles the President launched a broadside against the greed and unresponsiveness of too many lawyers. I was in the midst of applauding when I suddenly was struck by the thought of what the President would say if he was reminded that the FTC was an agency of 700 lawyers.

His response would probably be, "how can anything good come out of an agency with that many lawyers?"

I've been working on the answer since the President's speech. And if the chance ever arises, this is what I'll say.

"Mr. President," I'd tell him--before he took the meat cleaver to our budget--"you may not realize it but the FTC is the best bargain in inflation fighting you've got."

"Now just what does the FTC have to do with inflation?" he'd say to me. "I thought you spend your days picking on big businesses because they're too big and small businesses because they can't fight back. You've got yourself confused with the Federal Reserve or the Treasury or the Council on Wage and Price Stability. What can a bunch of lawyers do to fight inflation?" I figure that's about what he'd say. But I'd be prepared:

"Mr. President," I would say, "fighting inflation is not just a matter of tinkering with interest rates and the money supply, and jawboning industry and unions. You fight inflation where the people are--where they spend their hard earned dollars--on the five consumer necessities: health, food, transportation, housing and clothing. 75% of America spends 85% of its money on these five items. Lower income consumers spend a higher percentage. If we can stretch consumer dollars here, we fight inflation at its core. That's where our lawyers and our economists come in."

Then I'd pile it on: "Mr. President," in each of these consumer necessities we're attacking restraints on competition which keep prices high. In each of these consumer necessities we're attacking restraints on advertising, and false or misleading advertising, which make it difficult for consumers to find true bargains. And in each of these consumer necessities we're attacking marketing practices which cheat consumers out of the bargains they've made. That's how you stretch dollars. That's how you fight inflation."

By now I'd have the President's attention. But he might start grumbling about do-good lawyers who interfere with the "invisible hand" of the free market. I'd assure him that we aim to make the market work better, not play big-brother; and that even when our regulations impose costs they generate tangible consumer benefits far in excess of those costs. This combats inflation. Then I'd ask him to make himself comfortable, and I'd give him some examples of what I mean.

Health:

Consumers spend 14 cents out of every dollar on health care and drugs. And no drain on the consumer's pocketbook has been more subjected to inflationary pressure--as physician, hospital costs and health insurance skyrocket out of sight. Consumers need to be able to shop for the best bargains in medical care. Ironically, the FTC's role in stemming the inflationary tide of health care delivery is based upon taking the doctors at their own word: "Don't socialize us," they cry, "spare us the burdens of government regulation." So be it, says the FTC. But if you choose to be part of the market economy, cherishing the direct market place transactions of "fee for service," then you've got to compete just like other providers of service in our economy. That means giving up those aspects of your own self-regulatory structure which are not essential to preserving standards of quality and safety.

Our upcoming eyeglass rule similarly seeks to free opticians and optometrists to compete through responsible price advertising. And it requires that the person who conducts the eye examination, whether it be an ophthalmologist or optometrist, provide the consumer with a copy of the eyeglass prescription so that the consumer can choose himself whether to shop around for the best bargain in eyeglasses.

We're investigating physician dominance of Blue Shield plans on the theory that an insurance mechanism controlled by physicians will have little incentive to keep fees down or stimulate cost cutting alternative methods for delivering health care services.

Our Bureau of Economics has done a simple but intriguing study demonstrating that in those parts of the country where health maintenance organizations' prepaid medical plans have gained a strong foothold, competing Blue Shield and health insurance plans provide lower rates and broader coverages than elsewhere. So we're investigating efforts by organized medicine to restrain competition by health maintenance organizations through boycotts and other subtle and not so subtle pressures. We are looking hard to the ways in which medical specialists control the ability of professionals and quasi-professionals to perform lower cost services such as anaesthesiology and psychotherapy and efforts by medical societies to prevent hospitals from employing physician specialists on salary in an effort to keep hospital costs down.

We've issued complaints against the American Medical Association, the American Dental Association, and several state and local medical and dental societies, charging that provisions of their ethical codes which limit advertising and solicitation of patients are illegal. The AMA case is now in trial. The ADA case is scheduled to begin in September.

The increased cost of medical care hits doubly hard at the elderly consumer, who often has no wage increase to match the increase in prices. And prescription drugs take an increasing share of his or her limited resources. Prescription drug prices are rising 10 percent a year. The Commission has been working with consumer groups, especially those representing retired persons, to develop and press for the adoption of model State laws motivating pharmacists to substitute low price generic drugs wherever feasible. It's estimated that sound generic drug substitution laws could save consumers \$70 million per year.

As inflation pinches tighter the consumer hunts for bargains; but purchases based on fraud, deception and misleading information are empty victories, particularly where health is concerned. In our OTC drug advertising rulemaking, staff is proposing to prohibit advertisers from making safety or efficacy claims for OTC drugs unless these claims are sufficiently substantiated that FDA allows them to be made on the label for the drug. And we're examining whether health and safety warnings required on the label by FDA should be disclosed in advertising for the product.

Finally, we're working with state Insurance Commissioners and others to develop sound cost disclosure plans for life insurance, an area of unparalleled consumer confusion. This will enable consumers to shop wisely for the best insurance values that meet their needs.

Food:

Nineteen cents of every consumer dollar goes for food. As the nutritional quality of our food market basket deteriorates, the dollar gap between what the farmer gets and what the consumer pays grows inexorably. The fight against inflation is a fight for better nutritional quality at less cost.

In cases initiated since I've joined the Commission we've charged Sunkist Growers with monopolizing the western citrus industry. We've sued Kroger Foods for allegedly false and deceptive comparisons between its food prices and those of its competitors. FTC administrative law judges are now hearing allegations that Kellogg, General Foods, and General Mills have fostered a "shared monopoly" in the ready-to-eat cereal market; that a major producer of coffee, General Foods Corporation, has attempted to monopolize the distribution of coffee markets east of the Mississippi; and that ITT-Continental Baking Company has engaged in predatory and discriminatory pricing policies that deny consumers the opportunity to purchase bakery products at truly competitive levels. Of course, these cases are still pending and the Commission must ultimately decide whether the records to be developed support the allegations. But these proceedings do show our interest in exploring whether high food prices are the product of anticompetitive practices.

Within the past nine months we've obtained consent agreements from the leading firms in the retail food industry--including A & P, Kroger, Food Fair, Shop Rite, and Safeway--setting standards for availability of advertised specials. And we've begun to investigate whether state milk price setting laws have anti-competitive effects.

Finally, staff is putting finishing touches on their recommendations for a food nutrition rule--a proposal to ensure that claims for the energy value, nutritional value and health benefits of food are factually based and provide consumers with information they need to get the most from their food dollars.

Autos:

Eighteen cents of every consumer dollar is spent on transportation.

The cost to consumers of bungling and mistreatment by the auto industry, including dealers and repair shops, may be over 1 percent of the GNP, or 2 percent of total disposable income. Post-warranty repairs which are incompetent, unnecessary or fraudulent cost consumers over \$13 billion a year. A large portion of the \$40 billion spent on non-warranty repairs and maintenance also is wasted. If we could avoid this kind of waste we'd be going some way to lick inflation.

We've recommended to Congress ways in which the Magnuson-Moss Warranty Act of 1975 could be made more effective--by mandating the award of attorneys' fees where the consumer plaintiff wins, making class actions easier, and requiring that the company buy back a "lemon." We're working with other agencies to ensure that consumers get adequate information on auto performance, reliability, and durability when they purchase. And we're gathering data on effective ways to ensure that auto repairs will be done quickly.

We're also ensuring that fuel economy claims are truthful. Several months ago in settlement of an action against STP for making false and unsubstantiated claims for its oil treatment, the Commission obtained the largest penalty in its history for false advertising: \$700,000 including an agreement by STP to publish in major newspapers and magazines a notice to the public that it had been fined and why.

And we're urging federal agencies that regulate other forms of transportation--the Civil Aeronautics Board and the Interstate Commerce Commission--to deregulate. It's been estimated that because of the barriers to competition they create, ICC regulation of rail and trucking costs over \$3 billion a year, while CAB regulation of air transportation costs just under \$1 billion. These costs fuel inflation. We're pointing out where these costs can be eliminated.

Housing:

Twenty-nine cents of every consumer dollar is spent on housing--the largest single item in the family budget. Last year Americans spent \$225 billion for homes, including condominiums. In addition, \$10 billion was spent on brokerage commissions, \$8 billion in settlement costs, and \$5 billion for home improvements.

When one in five Americans buys a new home each year, few need to be reminded of the escalating costs of homes. Of course we are not in the housing business, but we can do our part to see that the burdens of home buying are not exacerbated by anti-competitive practices.

Over the years there have been a number of investigations and prosecutions of price fixing among real estate agents. But real estate brokerage fees have proved stubbornly resistant to competition. We're determined to find out if some method can be devised to introduce real competition among real estate brokers without damaging the ability of a broker to perform an essential service.

We're also attacking fraud and deception in the sale of homes. Recently we worked with the Department of Housing and Urban Development to draw up condominium legislation. This would make invalid a large number of so-called "recreation" leases, which have jacked up condominium costs for many unwary buyers.

Insulation costs also are rising as the costs of raw materials and labor are exacerbated by increased demand stimulated by the national energy programs. So, we're seeing that essential information about competing insulation products is truthfully and meaningfully disclosed to the consumer. Our R-value insulation disclosure rule is on schedule and should be before the Commission in a few months.

And to head off the temptation of home improvement operators to take advantage of the surge in demand for insulation, the Commission has issued warnings to all manufacturers of insulation and many retailers that false or unsubstantiated claims for insulation efficiency would be met promptly with court imposed \$10,000 a day penalties. In following up on those notices the Commission found a number of cases in which advertisers found reason to re-evaluate their earlier exaggerated claims. Families installing insulation in the hopes of alleviating the ravages of next year's energy bills at least have a fighting chance.

Clothing:

The fifth necessity is clothing. And here again, we're doing our best to make sure that prices are low and that quality is as high as consumers want.

I'd sense along about this point the President's attention might be lagging. "Mr. President," I'd say, raising my voice slightly to catch his attention, "did you realize

that thanks to the Federal Trade Commission pants are dropping all over America?" "Now that I've got your attention, it's a fact that the Commission recently sued and obtained a consent order against Levi Strauss for fixing the retail price for their blue jeans. The day we sued, Levi's were selling from 15 to 17 dollars. Today with vigorous price competition in many parts of the country the price ranges from 10 to 14. Our staff figures that in the last year the consumer has saved more than \$50,000,000 on Levi's."

A few weeks ago I met with a group of domestic manufacturers of down garments about the escalation of the price of down. Yes, down is up. The increasing popularity of down garments has drawn into the market place competitive importers who were simply lying about the down contents of their garments. The consumer who seeks a bargain finds himself literally out in the cold. So we're preparing a campaign using our new enforcement powers to rid the market of falsely labeled down products.

And FTC staff is developing a rule requiring sellers to provide consumers with information about how to best take care of their apparel, so that consumers don't waste their money on drycleaning when machine washing is adequate-- or don't end up destroying the clothing through improper care.

"Mr. President, these are just some of the actions the Commission has taken to take the sting out of inflation. We also are working on keeping down the costs of other essential goods and services like funerals, vocational schools and hearing aids."

"And, Mr. President, we've even opened up an investigation of lawyers. It takes one to catch one."

meeting with senators long,
talmadge and ribicoff 5/19/78

THE WHITE HOUSE
WASHINGTON

HT = 4 Com - orig in House
Jay Constantine 53205

$\$200 + 9\% = 218^{00}$
 $70 + 9\% = 76^{00}$

Long/R.B./Tal/sale bill
Has passed Sen & Fin Com twice

Medicaid uniform
"spend down" financing

Catastrophic = $\$72000$ or 60 days
 $\$15-20$ bit cut down
to $\$4-5$ bit

Medicare/aid $\$51$ B.I

M'caid - poor - federalism/uniform

M'care - aged

80% not cared for

most of them - health ins

No Hrs re Ken bill

THE WHITE HOUSE
WASHINGTON

Re - Part III - takes care
of private ins re 15th 60 days
or 15th \$2000

Complexity mandates incremental
approach

gov't no role in Part III

UAW confidence game

Co's pay ~ 4% for med care

Shift 4% → gov't

Workers then get 4%

70% have private ins

Employer - tax credit for
med ins for employees

THE WHITE HOUSE

WASHINGTON

May 19, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *WC*

SUBJECT: Weekly Mail Report (Per Your Request)

Below are statistics on Presidential and First Family:

<u>INCOMING</u>	<u>WEEK ENDING 5/12</u>	<u>WEEK ENDING 5/19</u>
Presidential	33,130	32,965
First Lady	2,385*	2,930*
Amy	395	310
<u>Other First Family</u>	<u>100</u>	<u>125</u>
TOTAL	36,010	36,330

BACKLOG

Presidential	4,490	4,335
First Lady	245	95
Amy	0	0
<u>Other</u>	<u>0</u>	<u>0</u>
TOTAL	4,735	4,430

DISTRIBUTION OF PRESIDENTIAL MAIL ANALYZED

Agency Referrals	8%	8%
WH Correspondence	58%	57%
Unanswerable Mail	17%	18%
White House Staff	4%	4%
<u>Other</u>	<u>13%</u>	<u>13%</u>
TOTAL	100%	100%

NOT INCLUDED ABOVE

Form Letters	2,514
Form Post Cards	4,385
Mail Addressed to White House Staff	15,479

cc: Senior Staff

*Not Included Above: IWY Propaganda--265 W/E 5/19
2200 W/E 5/12

MAJOR ISSUES IN
CURRENT PRESIDENTIAL ADULT MAIL
Week Ending 5/19/78

ISSUES	PRO	CON	COMMENT ONLY	NUMBER OF LETTERS
Support for Proposed Middle East Aircraft Sale	6%	94%	0	902
Support for Protest Against Cambodian Abuses	100%	0	0	459
Support for President's Statements re: Legal and Medical Professions	56%	42%	2%	423
Support for Treasury Proposal to Serialize Firearms	1%	99%	0	386
Support for Supply of Paraquat Spray to Mexico	0	100%	0	315
Support for Proposed Reduction of Military Installations	1%	99%	0	298
Support for Placement of Head Start in Department of Education	0	100%	0	241
Suggestions re: Tax Reform Package	0	0	100%	239
Support for Production of Neutron Weapons	39%	61%	0	214
Suggestions re: Middle East Peace	0	0	100%	167
			TOTAL	3,644

THE WHITE HOUSE

WASHINGTON

19 May 1978

MEMORANDUM FOR THE PRESIDENT

FROM: RICK HUTCHESON *RH*
SUBJECT: Status of Presidential Requests

VICE PRESIDENT:

1. (4/17) Please call Marian Edelman and Coretta King regarding the Head Start Program in the Department of Education -- Done, (Stu called Mrs. King on 5/17 and she expressed her concern that the "integrity" of the Head Start program be kept intact. Both Mrs. King and Stu feel that the call was beneficial. The Vice President's office has called Marian Edelman). *Done*
2. (5/15) Talk to the Attorney General and then see the President concerning recommendations for the National Commission for the Review of Antitrust Laws and Procedures -- Done. *Done*

LIPSHUTZ:

1. (5/2) Check with the CAB regarding the Bermuda II Agreement and Logan Airport (Expedite) -- In Progress, (with Stu who is preparing a letter for your signature to Speaker O'Neill, expected 5/22).
2. (5/7) Call American Express about their attempted sale of "Official White House Silverware" (Expedite) -- Done. (5/17) Go public with this without delay unless American Express acts immediately -- Message Conveyed.
3. (5/15) Give the President a quick status report on Omi Walden's appointment -- Done. (5/17) Do all that you can to expedite her confirmation as Assistant Secretary, DOE -- Message Conveyed.

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FALLOWS:

1. (5/11) List many individual ideas and items and then see the President regarding the Naval Academy speech -- In Progress, (Jim tentatively scheduled to meet with you 5/23).

WATSON:

1. (5/12) (and McIntyre) The President wants a small, clear and clean assignment of personnel under Jack to: a) continue what he is doing now; and b) to coordinate urban policy implementation. Work together, expedite, and then see the President with your joint recommendation on the implementation of the inter-agency coordinating council -- In Progress, (with Jack, Jim, Harrison, et al; they are meeting 5/19 to outline agenda. It may be a few weeks before they will be able to report to you).

SECRETARY VANCE:

1. (5/16) (and Zbig) Prepare a reply for the President to sign to President Rodrigo Carazo of Costa Rica -- In Progress, (expected 5/23).

SECRETARY KREPS:

1. (5/11) Please talk to Cong. Garcia about the Census Bureau and its employment and accurate counting of Spanish speaking Americans -- In Progress, (Kreps and Garcia had phone conversation 5/18; they will be meeting the week of 6/5 to discuss this).

Done

ADMINISTRATOR GILLIGAN:

1. (5/11) The President is concerned that so few of AID personnel are Spanish-Americans, even in those areas serving the Latin-American community. Please give the President a brief assessment of the present status and what we can do in the future -- Done.

Done

MCINTYRE:

1. (4/21) (and Eizenstat) Expedite Pension Commission; prepare statement for the President -- In Progress.

- 3 -

2. (5/9) Check with Schultze before sending out memo concerning the review of the federal statistical system to the heads of departments and agencies -- Done. done
3. (5/11) Comment on 'Bourne's Drug Report concerning the alternative to split up the Immigration Service by transferring inspectors and Border Patrol to Customs -- Done. done
4. (5/18) Comment on the memo from Secretary Vance concerning the foreign service legislative proposal to permit voluntary retirements with full annuities after 10/1/78 -- Done. ~~done~~

MOORE:

1. (5/18) Distribute a copy of the ABA Journal article entitled, "Helping to Nominate a Circuit Judge," to all Senators -- In Progress.

SECRETARY SCHLESINGER:

1. (5/15) Give the President a brief status report of the Mexican potential in the U.S. energy market, as described by Dr. Armand Hammer -- Done. done

SECRETARY CALIFANO:

1. (5/11) We need a good director of the Bilingual Education Office, preferably an Hispanic-American. Please assess and keep the President informed. What percent of employees are Spanish/American? -- In Progress, (expected 5/22).
2. (5/11) Contact the President regarding the North Carolina desegregation suit; your two weeks are up -- Done, (announcement made 5/12). done
3. (5/11) (and Eizenstat) The President is concerned that the White House Conference on the Family can be a very fine effort or a political catastrophe. The thrust must be moved toward strong and stable families; the staff and committee membership must be exemplary.

Please advise the President of the status and plans --
In Progress, (status report to be included in the
Secretary's weekly report).

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

19 May 1978

TO: THE PRESIDENT *F.L.*
FROM: RICK HUTCHESON
SUBJECT: Memos Not Submitted

1. JIM McINTYRE sent you a copy of his testimony on the internal organization of the proposed Department of Education, given to the Senate Governmental Affairs Committee last Wednesday. ✓
2. ATTORNEY GENERAL BELL sent you a list of the complete membership of the Anti-trust Review Commission, for your information. ✓



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

MAY 19 1978

MEMORANDUM FOR THE PRESIDENT

FROM: James T. McIntyre, Jr. *Jm*
Director

SUBJECT: Department of Education

Attached is a copy of the testimony on the internal organization of the proposed Department of Education which I presented to the Senate Governmental Affairs Committee on Wednesday, 17 May.

Attachment

cc: The Vice President
Stu Eizenstat
Hamilton Jordan
Frank Moore
Jody Powell
Jack Watson
Richard Pettigrew

STATEMENT OF JAMES T. McINTYRE, JR.
DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
BEFORE THE
COMMITTEE ON GOVERNMENTAL AFFAIRS
UNITED STATES SENATE
MAY 17, 1978

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I AM PLEASED TO BE HERE AGAIN THIS MORNING TO DISCUSS THE INTERNAL ORGANIZATION OF THE PROPOSED DEPARTMENT OF EDUCATION. ONE MONTH AGO, I PRESENTED TO THIS COMMITTEE THE ADMINISTRATION'S POSITION ON S. 991. AT THAT TIME, I REITERATED THE PRESIDENT'S COMMITMENT TO ESTABLISH A CABINET-LEVEL DEPARTMENT OF EDUCATION AS A VITAL STEP IN MAKING EDUCATION A MAJOR DOMESTIC PRIORITY AND IN INCREASING THE GOVERNMENT'S ABILITY TO PROVIDE VISIBLE AND EFFECTIVE LEADERSHIP IN ADDRESSING OUR COUNTRY'S EDUCATIONAL NEEDS.

IN MY TESTIMONY IN APRIL, I ALSO COMMENTED BRIEFLY ON SEVERAL ISSUES ESSENTIAL TO DEFINING THE ORGANIZATION AND TO CARRYING OUT THE MISSION OF THE NEW DEPARTMENT.

THESE INCLUDED: INTERGOVERNMENTAL RELATIONS, INTERAGENCY COORDINATION, INTERNAL STRUCTURE AND MECHANISMS FOR INCREASING THE INVOLVEMENT OF PARENTS AND THE PUBLIC IN EDUCATIONAL POLICY DEVELOPMENT AND PROGRAM IMPLEMENTATION. TODAY I WOULD LIKE TO DISCUSS THESE TOPICS AND ALSO TO COMMENT FURTHER ON THE ISSUE OF SAFEGUARDS, WHICH WE FEEL WILL ENSURE THAT THE CHARACTER AND IDENTITY OF A NUMBER OF TRANSFERRED PROGRAMS ARE MAINTAINED.

* * *

FIRST, MR. CHAIRMAN, I WOULD LIKE TO ADDRESS AN IMPORTANT ISSUE ABOUT WHICH WE AND THE COMMITTEE SHARE THE SAME CONCERN--THE NEED TO IMPROVE AND STRENGTHEN THE INTERGOVERNMENTAL SYSTEM FOR DEVELOPING AND CARRYING OUT EDUCATION POLICIES.

AS I STATED IN MY TESTIMONY LAST MONTH, AND WANT TO EMPHASIZE AGAIN THIS MORNING, THE OVERALL AIM OF THIS ADMINISTRATION'S COMMITMENT TO IMPROVING EDUCATION IS TO STRENGTHEN OUR PLURALISTIC, LOCALLY CONTROLLED SYSTEM OF EDUCATION. WE BELIEVE THAT IT IS IMPORTANT TO STRENGTHEN THE CAPACITY OF STATES,

LOCALITIES AND PRIVATE INSTITUTIONS TO MEET EDUCATIONAL NEEDS. TO HELP FURTHER THESE OBJECTIVES, WE PROPOSE THE CREATION OF A STATUTORILY BASED INTERGOVERNMENTAL ADVISORY COUNCIL ON EDUCATION. THE PURPOSE OF THE COUNCIL IS TO REVIEW EDUCATIONAL POLICYMAKING AND TO ASSESS THE CAPACITY OF THE EDUCATIONAL SYSTEM TO DELIVER EQUITABLE AND EFFECTIVE EDUCATION SERVICES. IT WILL BE DESIGNED TO RESPOND TO STATE, LOCAL AND COMMUNITY CONCERNS. ANOTHER IMPORTANT FUNCTION WILL BE TO MAKE RECOMMENDATIONS TO THE SECRETARY REGARDING THE OVERALL ADMINISTRATION AND OPERATION OF FEDERAL EDUCATION PROGRAMS.

THE COUNCIL WOULD BE COMPOSED OF BETWEEN 20 AND 30 MEMBERS REPRESENTING STATES AND LOCALITIES; COMMUNITY MEMBERS, INCLUDING PARENTS AND STUDENTS; ELEMENTARY AND SECONDARY EDUCATION, INCLUDING BOARD MEMBERS, ADMINISTRATORS AND TEACHERS OF PUBLIC AND NONPUBLIC INSTITUTIONS; THE HIGHER EDUCATION COMMUNITY, INCLUDING TRUSTEES, ADMINISTRATORS AND PROFESSORS; AND THE FEDERAL EXECUTIVE AND LEGISLATIVE BRANCHES. WE ENVISION THAT THE COUNCIL WILL PROVIDE A FORUM FOR THESE REPRESENTATIVES OF THE PUBLIC WHO ARE EXPERIENCED IN THE DAY-TO-DAY WORKINGS OF THE EDUCATION SYSTEM AT EVERY LEVEL.

MR. CHAIRMAN, I WANT TO POINT OUT THAT OUR RECOMMENDATION FOR A COUNCIL WITH AN INTERGOVERNMENTAL FOCUS DIFFERS FROM THE PROPOSAL IN S. 991 TO FORM A NATIONAL ADVISORY COMMISSION ON EDUCATION. WE THINK THAT, AS PROPOSED, THE COMMISSION WOULD HAVE SUCH A BROAD MANDATE THAT IT WOULD NOT ADDRESS SUFFICIENTLY THE NEED TO IMPROVE INTERGOVERNMENTAL RELATIONS. IT WOULD ALSO TEND TO UNDERMINE THE SECRETARY'S LEADERSHIP ROLE AND WOULD NOT RECOGNIZE AND RESPOND AS WELL TO THE RESPONSIBILITIES AND CONCERNS OF STATE AND LOCAL OFFICIALS, SCHOOL ADMINISTRATORS, TEACHERS, PARENTS AND OTHER COMMUNITY REPRESENTATIVES.

* * *

THE SECOND ISSUE I WOULD LIKE TO MENTION IS ONE ON WHICH WE ARE IN AGREEMENT: THE NEED TO ESTABLISH STRONG COORDINATION MECHANISMS AMONG EDUCATION AND RELATED PROGRAMS IN OTHER DEPARTMENTS AND AGENCIES. TO HELP ACHIEVE THIS END, WE ENDORSE THE PROPOSAL IN S. 991 TO RETAIN AND STRENGTHEN THE FEDERAL INTERAGENCY COUNCIL ON EDUCATION (FICE). WE BELIEVE THAT THE ELEVATION OF THE LEADERSHIP OF FICE--WHICH NOW INCLUDES REPRESENTATIVES OF 28 AGENCIES--TO THE SECRETARIAL LEVEL WILL RESULT IN MORE EFFECTIVE COORDINATION IN A NUMBER OF AREAS, SUCH AS EDUCATION AND SOCIAL SERVICES, EDUCATION AND WORK, AND EDUCATION AND SCIENCE.

* * *

NEXT, I WOULD LIKE TO DISCUSS OUR CONCEPT OF HOW THE DEPARTMENT SHOULD BE ORGANIZED. AS I INDICATED IN MY TESTIMONY IN APRIL, THE REORGANIZATION PROJECT STAFF HAS BEEN WORKING TO DEVELOP A STRUCTURE FOR THE NEW DEPARTMENT THAT WILL CREATE A STRONG ADMINISTRATIVE AND POLICYMAKING CAPACITY AT THE FEDERAL LEVEL THAT CAN ADDRESS FORCEFULLY SEVERAL IMPORTANT AREAS OF CONCERN. THESE ARE:

- IMPROVING THE DESIGN AND MANAGEMENT OF EDUCATION PROGRAMS.
- EMPHASIZING THE FEDERAL GOVERNMENT'S PREEMINENT RESPONSIBILITY TO ENSURE EQUAL EDUCATIONAL OPPORTUNITIES AND SIGNALING THE IMPORTANCE OF IMPROVING EDUCATIONAL QUALITY.
- COOPERATING MORE CLOSELY WITH STATE, LOCAL AND PRIVATE AGENCIES AND INVOLVING PARENTS AND THE PUBLIC MORE DIRECTLY IN DEVELOPING AND IMPLEMENTING PROGRAMS.

IN DEVELOPING THE INTERNAL ORGANIZATION FOR THE DEPARTMENT, WE HAVE APPLIED SEVERAL UNDERLYING PRINCIPLES:

- PROGRAMS SERVING SIMILAR PURPOSES, FUNCTIONS OR TARGET GROUPS SHOULD BE GROUPED TOGETHER.
- SPECIFIC PROVISIONS SHOULD BE INCORPORATED TO PROVIDE THE SECRETARY WITH SUFFICIENT FLEXIBILITY TO ALIGN THE INTERNAL ORGANIZATION IN ORDER TO MEET CHANGING PRIORITIES AND NEEDS FOR PROGRAM MANAGEMENT.

FOR THOSE PROGRAMS TRANSFERRED FROM OUTSIDE H.E.W.'S EDUCATION DIVISION TO THE NEW DEPARTMENT, WE UTILIZED THESE ADDITIONAL PRINCIPLES AS WELL:

- PROGRAMS SHOULD BE TRANSFERRED INTACT TO THE NEW DEPARTMENT IN ORDER TO MINIMIZE DISRUPTIONS IN PROGRAM CONTINUITY.
- MAJOR PROGRAMS SHOULD BE GIVEN HIGH ORGANIZATIONAL VISIBILITY IN ORDER TO SAFEGUARD THEIR IDENTITY AND MISSIONS AND TO ASSURE A FOCAL POINT FOR CONSTITUENCY AND CLIENT ACCESS.

WE WANT TO STRIKE A BALANCE BETWEEN THE NEED TO ENSURE THE SECRETARY'S FLEXIBILITY TO ALIGN THE INTERNAL ORGANIZATION TO MEET CHANGING PRIORITIES AND THE NEED TO SAFEGUARD THE INTEGRITY OF TRANSFERRED PROGRAMS.

THE INTERNAL STRUCTURE WHICH WE PROPOSE FOR THE DEPARTMENT DIFFERS IN SEVERAL RESPECTS, MR. CHAIRMAN, FROM THAT SPECIFIED BY S. 991. MOST IMPORTANT, WE THINK THAT S. 991 GIVES TOO MUCH EMPHASIS TO STAFF AND CROSS-CUTTING SUPPORT FUNCTIONS AND DOES NOT RECOGNIZE SUFFICIENTLY MAJOR PROGRAM AREA RESPONSIBILITIES. IF THE INTERNAL STRUCTURE OUTLINED IN S. 991 WERE ADOPTED, WE FEAR THAT A RIGID, COSTLY AND TOP-HEAVY ORGANIZATION COULD RESULT.

SPECIFICALLY, MR. CHAIRMAN, WE PROPOSE, IN ADDITION TO THE SECRETARY AND THE UNDER SECRETARY, THAT A POOL OF 14 EXECUTIVE-LEVEL POSITIONS REPORTING DIRECTLY TO THE SECRETARY BE CREATED. THIS POOL WOULD INCLUDE SEVEN LEVEL IV POSITIONS AND SEVEN LEVEL V POSITIONS. WE RECOMMEND GIVING THE SECRETARY DISCRETION IN SETTING UP THE DEPARTMENT'S STAFF FUNCTIONS FOR POLICY DEVELOPMENT, EVALUATION, MANAGEMENT, BUDGET, INSPECTOR GENERAL, INTERGOVERNMENTAL RELATIONS, CONGRESSIONAL RELATIONS, PUBLIC AND PARENTAL INVOLVEMENT, AND RESEARCH AND IMPROVEMENT.

LET ME COMMENT BRIEFLY ON SEVERAL OF THESE STAFF FUNCTIONS THAT WE BELIEVE ARE PARTICULARLY IMPORTANT.

- FIRST, THE OFFICE OF THE INSPECTOR GENERAL SHOULD BE ORGANIZED IN ACCORDANCE WITH THE PROVISIONS OF THE INSPECTOR GENERAL BILL NOW PENDING BEFORE THIS COMMITTEE. THIS OFFICE MUST HAVE THE INTERNAL AUDIT CAPACITY TO LOOK CLOSELY AT HOW FEDERAL PROGRAMS ARE MANAGED AND MUST CONTINUE THE IMPORTANT WORK BEGUN BY SECRETARY CALIFANO IN PREVENTING FRAUD AND ABUSE IN THE STUDENT ASSISTANCE PROGRAMS.
- IN ADDITION, THE RESEARCH AND IMPROVEMENT FUNCTIONS MUST RECEIVE A HIGH PLACE IN THE DEPARTMENT, GIVEN THE IMPORTANT ROLE OF THE FEDERAL GOVERNMENT IN SUPPORTING SUCH FUNCTIONS. WE EXPECT THAT BY GIVING THESE FUNCTIONS MORE PROMINENCE IN THE NEW DEPARTMENT, THE RESEARCH EFFORTS FUNDED BY THE FEDERAL GOVERNMENT, AND THE ABILITY TO DISSEMINATE INFORMATION ON DIFFERENT APPROACHES TO LEARNING AND DEVELOPMENT WILL BE ENHANCED.

- FINALLY, AS I INDICATED EARLIER, ANOTHER AREA WHICH NEEDS MUCH MORE ATTENTION IS THE ISSUE OF PUBLIC AND PARENTAL INVOLVEMENT IN THE EDUCATION PROCESS. WE STRONGLY RECOMMEND THAT THERE BE THE CAPACITY IN THE OFFICE OF THE SECRETARY TO ENCOURAGE, MONITOR AND EVALUATE REGULATIONS AND MECHANISMS FOR PUBLIC AND PARENTAL INVOLVEMENT. THE SUCCESSFUL HEAD START EXPERIENCE WILL SERVE AS A MODEL AS WE PROCEED TO THE IMPLEMENTATION PHASE.

* * *

I WILL TURN NOW TO DISCUSS THE ORGANIZATION OF THE PROGRAMS FOR WHICH THE DEPARTMENT WILL BE RESPONSIBLE.

WE RECOMMEND THAT AT LEAST TWO ASSISTANT SECRETARY-LEVEL POSITIONS BE ALLOCATED FOR PROGRAMS CURRENTLY IN H.E.W.'S EDUCATION DIVISION. THESE WOULD BE ORGANIZED ACCORDING TO FUNCTIONAL LINES: FOR EXAMPLE, AN ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION. AGAIN, WE WANT TO STRESS OUR DESIRE TO MAINTAIN FLEXIBILITY SO THAT THE CURRENT ORGANIZATION OF THESE PROGRAMS CAN BE REASSESSED PERIODICALLY.

* * *

AT THE SAME TIME THAT WE MUST STRIVE FOR FLEXIBILITY, WE THINK IT IS ESSENTIAL TO SAFEGUARD THE CHARACTER AND IDENTITY OF PROGRAMS FROM OTHER DEPARTMENTS AND AGENCIES-- HEAD START, CHILD NUTRITION, CIVIL RIGHTS ENFORCEMENT, INDIAN EDUCATION, AND OVERSEAS DEPENDENTS' SCHOOLS. FOR THIS REASON, WE EMPHATICALLY URGE THAT THEY BE MOVED INTACT TO THE DEPARTMENT AND THAT THE STATUTE REQUIRE THAT THE LEADERSHIP OF THESE PROGRAMS COME FROM THE POOL OF 14 EXECUTIVE-LEVEL POSITIONS REPORTING DIRECTLY TO THE SECRETARY OF EDUCATION. THESE MEASURES WILL INCREASE THE PROGRAMS' VISIBILITY AND ACCOUNTABILITY TO THE CONGRESS, THE PUBLIC AND THE PRESIDENT. THEY WILL NOT ONLY PROTECT THE CHARACTER OF THE PROGRAMS, BUT PROVIDE HIGHER-LEVEL LEADERSHIP THAN THE PROGRAMS HAVE NOW.

- HIGHER-LEVEL LEADERSHIP CAN GREATLY BENEFIT THE HEAD START PROGRAM, WHICH WILL REPORT DIRECTLY TO THE SECRETARY. CONTRAST THIS TO THE CURRENT SITUATION IN H.E.W., WHERE THE HEAD START DIRECTOR REPORTS TO AN ASSOCIATE COMMISSIONER FOR DEVELOPMENTAL SERVICES, WHO REPORTS TO A DEPUTY COMMISSIONER, WHO REPORTS TO THE ADMINISTRATOR OF THE ADMINISTRATION FOR CHILDREN, YOUTH AND FAMILIES, WHO REPORTS TO THE ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES, WHO REPORTS TO THE SECRETARY OF H.E.W.!

THE ADMINISTRATION IS COMMITTED TO CONTINUING THE COMMUNITY-BASED DELIVERY SYSTEM FOR HEAD START. WE SUGGEST, THEREFORE, THAT OUR SHARED COMMITMENT TO STRENGTHENING THE COMPREHENSIVE, COMMUNITY-BASED CHARACTER OF HEAD START BE STATED STRONGLY IN THE COMMITTEE REPORT.

- THE CHILD NUTRITION PROGRAMS WILL ALSO BE IN AN OFFICE REPORTING DIRECTLY TO THE SECRETARY. THIS WILL IMPROVE THEIR ORGANIZATIONAL VISIBILITY SIGNIFICANTLY OVER THAT WHICH THEY NOW HAVE IN THE DEPARTMENT OF AGRICULTURE. IN ADDITION, I WANT TO EMPHASIZE THAT THE RECOMMENDATION TO INCLUDE THE CHILD NUTRITION PROGRAMS IN THE DEPARTMENT OF EDUCATION WILL NOT CHANGE THE OPERATION OF THE COMMODITY COMPONENT OF THE PROGRAMS BY THE DEPARTMENT OF AGRICULTURE. AS YOU KNOW, THE ADMINISTRATION IS ABSOLUTELY OPPOSED TO THE CASHING OUT OF COMMODITY SUPPORT FOR THESE PROGRAMS.

- HIGH ORGANIZATIONAL PLACEMENT OF CIVIL RIGHTS ENFORCEMENT, WITH THE OFFICE REPORTING DIRECTLY TO THE SECRETARY--AND RAISING THE GRADE OF ITS DIRECTOR FROM A GS-18 TO AN EXECUTIVE-LEVEL IV POSITION--EMPHASIZES OUR COMMITMENT TO ENFORCE VIGOROUSLY THE CIVIL RIGHTS LAWS

AND REGULATIONS, WHICH ARE THE CENTERPIECE OF THE FEDERAL ROLE IN EDUCATION. WE ARE ALSO FIRMLY COMMITTED TO A STRONG AFFIRMATIVE ACTION PROGRAM FOR THE DEPARTMENT ITSELF TO ENSURE THAT MINORITIES, WOMEN AND THE HANDICAPPED ARE REPRESENTED AT ALL LEVELS.

- THE DIRECTOR OF THE INDIAN EDUCATION PROGRAMS WILL ALSO REPORT DIRECTLY TO THE SECRETARY. THE TRANSFER OF INDIAN EDUCATION PROGRAMS FROM THE BUREAU OF INDIAN AFFAIRS TO THE DEPARTMENT OF EDUCATION WILL NOT DIMINISH IN ANY WAY THE TRUST RESPONSIBILITIES THAT THE FEDERAL GOVERNMENT HAS TOWARD INDIAN TRIBES, AND S. 991 SHOULD CONTAIN STRONG LANGUAGE TO THAT EFFECT. ALSO, OTHER SPECIAL RELATIONSHIPS AND POLICIES--SUCH AS INDIAN PREFERENCE IN HIRING, SELF-DETERMINATION, AND ELIGIBILITY REQUIREMENTS FOR INDIAN EDUCATION PROGRAMS--WILL NOT BE ALTERED IN ANY WAY BY THIS TRANSFER. THE ADMINISTRATION IS COMMITTED TO THESE ASSURANCES, AND WILL COOPERATE WITH THE COMMITTEE TO ENSURE THAT THEY ARE CARRIED OUT.

- ALSO, TO ENSURE THE ORDERLY TRANSITION OF THE OVERSEAS DEPENDENTS' SCHOOLS AND B.I.A. INDIAN SCHOOLS, WE PLAN TO PHASE THESE PROGRAMS INTO THE NEW DEPARTMENT OVER TIME. ALTHOUGH THE SECRETARY OF EDUCATION SHOULD BE

IN A POSITION TO ASSUME EDUCATIONAL POLICY RESPONSIBILITY FOR THE SCHOOLS AT THE OUTSET, WE BELIEVE IT WILL TAKE THREE YEARS TO COMPLETE THE TRANSFER OF THE SCHOOLS TO THE DEPARTMENT OF EDUCATION. THESE ARE GEOGRAPHICALLY DISPERSED ACTIVITIES, AND, OF NECESSITY, HIGHLY DECENTRALIZED IN THEIR OPERATIONS. WE WANT TO MAKE WELL-INFORMED JUDGMENTS AS WE TRANSFER THESE SCHOOLS IN ORDER TO AVOID DISRUPTING OR CONFUSING THEIR EDUCATIONAL AND ADMINISTRATIVE OPERATIONS. IT IS ALSO OUR DESIRE TO SEEK, ON A REGULAR BASIS, THE ADVICE OF THE VARIOUS PARTIES HAVING AN INTEREST IN THESE SCHOOLS AND TO KEEP THEM INFORMED AS THE TRANSITION PROCEEDS.

IN ADDITION, OUR PROPOSAL TO UPGRADE THE POSITION OF THE ADMINISTRATOR OF THE D.O.D. SCHOOLS FROM A GS-18 TO AN EXECUTIVE-LEVEL POSITION SIGNALS OUR INTENTION TO WORK TO IMPROVE THE QUALITY OF THESE SCHOOLS.

* * *

ANOTHER ISSUE CRITICAL TO THE ESTABLISHMENT OF THE DEPARTMENT OF EDUCATION IS THAT OF COSTS. WE ANTICIPATE THAT THERE WILL BE RELATIVELY FEW TRANSITION COSTS IN ESTABLISHING THE OFFICE OF THE SECRETARY AND THE MANAGEMENT FUNCTIONS FOR THE PROPOSED DEPARTMENT. ALTHOUGH MOST OF THESE OFFICES WILL BE STAFFED FROM EXISTING POSITIONS IN PROGRAMS WHICH WILL BE TRANSFERRED, SOME ADDITIONAL COSTS FOR SETTING UP THE NEW ORGANIZATION

WILL BE REQUIRED. WE BELIEVE, HOWEVER, THAT THESE COSTS CAN BE MINIMIZED BY REPROGRAMMING RESOURCES FROM H.E.W.'S EDUCATION DIVISION, AS WELL AS THOSE FROM OTHER DEPARTMENTS AND AGENCIES WHOSE PROGRAMS WILL BE TRANSFERRED TO THE NEW DEPARTMENT.

* * *

FINALLY, MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, O.M.B. IS COMMITTED TO WORKING CLOSELY WITH THE PROGRAM MANAGERS TO ENSURE AN ORDERLY AND SMOOTH TRANSITION AND A HARMONIOUS START IN THE NEW DEPARTMENT. I KNOW VERY WELL THAT REORGANIZATION CAN BE MOST SUCCESSFUL--THAT THIS DEPARTMENT WILL BE ABLE TO FULFILL ITS MISSION--IF WE HAVE OPEN AND INFORMATIVE COMMUNICATIONS WITH THE PEOPLE WHO ADMINISTER THESE PROGRAMS, WHO DO THE WORK, AND WHO ARE ALSO COMMITTED TO IMPROVING THE EDUCATION OF ALL OUR CITIZENS.



Office of the Attorney General

Washington, D. C. 20530

May 17, 1978

MEMORANDUM

TO: The President

FROM: The Attorney General *by J. Philip Jordan
Special Asst. to AG*

SUBJECT: Complete Membership of the
National Commission for the Review
of Antitrust Laws and Procedures

Your Executive Order established a 22-member Commission: seven from the private sector, one United States District Court Judge, one State Attorney General, three ex-officio members from the Executive Branch, and ten members of Congress to be recommended by Speaker O'Neill and President of the Senate Mondale.

For your information, the membership now stands as follows:

Private Sector: (approved by you May 16)

Maxwell Blecher	- prominent plaintiffs' lawyer from Los Angeles
Eleanor Fox	- New York City practitioner and law professor
Jack Izard	- past Chairman of ABA Antitrust Section, from Atlanta
James Nicholson	- Washington, D.C. antitrust practitioner; former FTC Commissioner
Craig Spangenberg	- innovative plaintiffs' trial lawyer from Cleveland

Gordon Spivack - leading New York City practitioner; formerly Director of Operations for Antitrust Division of Justice Department

Lawrence Sullivan - Antitrust Professor at University of California (Berkeley) Law School

United States District Court Judge: (approved by you May 16)

C. Clyde Atkins - Southern District of Florida

State Attorney General: (approved by you May 16)

Chauncey Browning, Jr., West Virginia

Ex-Officio Members from Executive Branch: (approved by you May 16)

Assistant Attorney General (Antitrust)
John Shenefield

Chairman, Federal Trade Commission -
Michael Pertschuk

Chairman of a Federal Regulatory Agency -
Alfred Kahn,
Civil Aeronautics Board

*House of Representatives:

Peter W. Rodino, Jr. (D-N.J.)
Barbara Jordan (D-Texas)
John F. Seiberling (D-Ohio)
Robert McClory (R-Ill.)
Charles E. Wiggins (R-Calif.)

* Speaker O'Neill has recommended these persons officially, by letters of January 5, 1978 and April 26, 1978, copies of which are attached.

* United States Senate:

Edward M. Kennedy (D-Mass.)
Howard M. Metzenbaum (D-Ohio)
(another Democrat)
Jacob K. Javits (R-N.Y.)
Strom Thurmond (R-S.C.)

-
- * These are tentative recommendations from the President of the Senate. His official recommendations are awaiting Majority Leader Byrd's settling on a third Democrat, and even the four tentative choices listed in this memorandum are subject to change.

The Speaker's Rooms
U.S. House of Representatives
Washington, D.C. 20515

RECEIVED

MAY 4 10 43 AM '78

DEPT OF JUSTICE
CENTRAL MAIL ROOM
OFFICE OF ASST
AND FINANCE

26 April 1978

The Honorable Griffin B. Bell
Attorney General
Department of Justice
Washington, D. C. 20530

Dear Mr. Attorney General:

Pursuant to the letter of April 24, 1978 from President Carter, I am sending to you my recommendations of two additional members to serve on the National Commission for the Review of Antitrust Laws and Procedures, established by Executive Order 12022.

As Speaker, I recommend Representatives John Seiberling and Charles Wiggins for appointment to this Commission and have every confidence that they will fulfill these new responsibilities in an excellent and qualified manner.

With best wishes,

Sincerely,

Thomas P. O'Neill, Jr.

Thomas P. O'Neill, Jr.
The Speaker

M/pc

RECEIVED
OFFICE OF THE
ATTORNEY GENERAL

MAY 5 1978

ATTORNEY GENERAL	
DEPARTMENT OF JUSTICE	
11	MAY 4 1978
O.R.O.M.	
ATTORNEY GENERAL	

Mr. Sherefield

**The Speaker's Rooms
U. S. House of Representatives
Washington, D. C. 20515
January 5, 1978**

JAN 6 12 22 PM '78
U.S. DEPT. OF JUSTICE
MAIL ROOM

**The Honorable Griffin B. Bell
Attorney General of the United States
Department of Justice
Washington, D.C. 20530**

Dear Mr. Attorney General:

**This is to recommend Representatives Peter Rodino, Robert McClory
and Barbara Jordan for membership on the newly established National
Commission for the Review of Antitrust Laws and Procedures.**

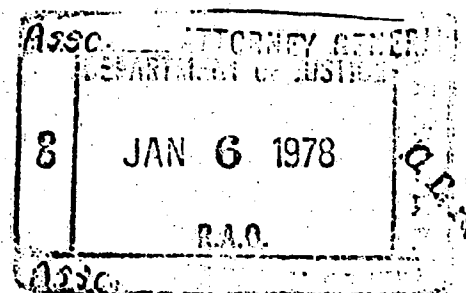
Thank you for your cooperation.

With every good wish,

Sincerely,

Thomas P. O'Neill
The Speaker

W/rh



THE WHITE HOUSE
WASHINGTON

May 19, 1978

Peter Bourne
Jim Gammill

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

WORLD HUNGER COMMISSION

cc: Zbig Brzezinski
Stu Eizenstat

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION
FYI

	ADMIN CONFID
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	EYES ONLY

	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARAGON
X	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
X	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

THE WHITE HOUSE
WASHINGTON

Mr. President:

Jim Gammill concurs with
these recommendations.
Congressional Liaison
has no comment.

Rick (wds)

Believe

THE WHITE HOUSE

WASHINGTON

May 17, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: PETER BOURNE *P.B.*

SUBJECT: WORLD HUNGER COMMISSION

Following up on your discussion with Sol Linowitz, he felt that to have a Vice Chairman who might at some point be able to take over from him, and in order to have the Commission project the kind of image you and he discussed, he would like to supplement the present fifteen members with the following additions, and has asked me to transmit them to you.

Steven Muller - President of Johns Hopkins, former Director of the Center for International Studies, and Assistant Secretary for Education (H.E.W.), member of the Institute for Strategic Studies, and author of Documents on European Governments. *ok*

Norman Borlaug - Agricultural scientist, father of the "Green Revolution" of the early 60's which dramatically changed the level of food production in the developing world, has worked with practically every developing country in Asia, Africa and Latin America on food production, received distinguished awards from State and National organizations, and Governments around the world as well as the Nobel Peace Prize in 1970. *ok*

Jean Mayer - The Nation's most distinguished nutritionist, was chairman of the 1969 White House Conference on Food, Nutrition and Health as well as the FAO-WHO Expert Committee on Nutrition. Served as chairman of the National Commission on Hunger and Malnutrition in the United States. Recipient of numerous organization and government awards. Author of many nutrition papers including "U.S. Nutrition Policies in the 70's." *ok*

Jonas Salk - Sol Linowitz feels that Dr. Salk's stature along with that of the other three will establish the image which you and he discussed. *no*

He also asked me to transmit Muriel Humphrey's name, but she cannot legally be appointed until the end of her Senate term.

Sol Linowitz's (4) Recommendations:

APPROVE _____ DISAPPROVE _____

MEMORANDUM FOR THE PRESIDENT
FROM: PETER BOURNE
SUBJECT: WORLD HUNGER COMMISSION

Because of Cliff Wharton's new responsibilities as Chancellor of New York University he may be unable to accept. In that event we will need to select another person to represent minority views. I would therefore suggest the following alternate names in the event that others such as Bess Meyerson and John Denver are unable to accept. (Neither have yet agreed to serve). These will be used in the event of a need to substitute and to balance the Commission.

Franklin H. Willians - President, Phelps-Stokes Fund, former Ambassador to several African Countries.
(Recommended by Bunny Mitchell)

Murlie Evers - Widow of Medgar, Director of corporate planning at Atlantic Richfield.
(Recommended by Ann Wexler)

Betty Furness
Helen Nelson
(Recommended by Esther Peterson)

Miriam Cruz - Mayor's Office, Chicago, Officer of the National Coalition of Puerto Rican Women; co-chairperson of the Midwest Coalition of Puerto Rican Organizations; involved in hispanic community affairs for many years and active in Carter-Mondale Campaign.
(Recommended by Joe Aragon)

APPROVE

DISAPPROVE

*no further
increase in
membership
by names on
this page. Just
substitute
J*

ID 782396

THE WHITE HOUSE

WASHINGTON

DATE: 08 MAY 78

FOR ACTION: TIM KRAFT

JIM GAMMILL -

*can't be Mrs HHH n/c
of conflict*

FRANK MOORE (LES FRANCIS)

*concur except for Mrs HHH
b/c of "problem" w/ other
Senators*

INFO ONLY: THE VICE PRESIDENT

JACK WATSON

STU EIZENSTAT

ZBIG BRZEZINSKI

*5/8
Gammill concur w/
The re write.
Self*

SUBJECT: BOURNE MEMO RE WORLD HUNGER COMMISSION

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1200 PM WEDNESDAY 10 MAY 78 +
+++++

ACTION REQUESTED:

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE

WASHINGTON

May 8, 1978

MEMORANDUM TO THE PRESIDENT

FROM: PETER BOURNE **P.B.**

SUBJECT: WORLD HUNGER COMMISSION

Following up on your discussion with Sol Linowitz concerning the World Hunger Commission, he felt that to have a Vice Chairman who might at some point be able to take over from him, and to have the Commission project the kind of image you and he discussed, he would like to supplement the present fifteen members with five distinguished additions.

I strongly support his recommendations.

	Approve	Disapprove
Steven Muller President of Johns Hopkins	_____	_____
Jean Mayer The nation's most distinguished nutritionist.	_____	_____
Norman Borlaug Father of the green revolution.	_____	_____
Muriel Humphrey	_____	_____
Jonas Salk	_____	_____
<u>Alternate</u>		
Bill Moyers	_____	_____

PGB:ss

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ACTION
FYI

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<input checked="" type="checkbox"/>	VICE PRESIDENT
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<input type="checkbox"/>	JORDAN
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<input checked="" type="checkbox"/>	BRZEZINSKI
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<input type="checkbox"/>	ADAMS
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<input type="checkbox"/>	MARSHALL
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<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VANCE

11:45 AM

THE WHITE HOUSE
WASHINGTON

MEETING WITH LEADERS OF VETERANS GROUPS

Friday, May 19, 1978
11:45 a.m. (15 minutes)
Roosevelt Room

From: David Aaron
Anne Wexler

I. PURPOSE

To ask for Veterans groups' support for your Eastern Mediterranean program.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: Various Veterans groups have indicated to us their interest in supporting your initiative. Having not been able to support you on other issues, i.e., Panama, they now want to be helpful.

In inviting these men in today, we made it quite clear to them that this was not the time to talk about veterans' issues.

For 45 minutes preceding your arrival, these men will have been briefed by State, Defense, and NSC on the progress of the Cyprus talks and the political and strategic importance of Turkey and Greece.

B. Participants:

Frank D. Ruggiero, National Commander, AMVETS
He served with the Army Air Corps during WW II. A graduate of Panzer College, N.J., and Rutgers, he has been in the Lyndhurst, N.J., school system for 24 years and principal of the Franklin School for 5 years. He was one of the organizers of the Veterans Allied Council of N.J., which was established to assist veterans and their families seeking educational and vocational benefits.

Leon Sanchez, Executive Director, AMVETS
Served in the Army during WW II. Has been employed by AMVETS since 1966, working at the National Headquarters since 1970. He has been elected President of the Combined National Veterans Association of America.

11:45 a.m.

THE WHITE HOUSE
WASHINGTON

May 19, 1978

Bill:

The additional names for the
Veterans briefing are:

DENVEL D. ADAMS
National Adjutant
Disabled American Veterans (DAV)

FRANK P. JONES (COLONEL)
Executive Director
Veterans of Foreign Wars (VFW)

Please call me or Madeline Allbright
should you have any questions.

Thanks

A handwritten signature, likely of Joe, written in dark ink.

G. Michael Schlee, Director, Washington Office,
American Legion

As an ROTC graduate from Western Maryland College, he served in the infantry in Vietnam. He has been a member of the National Headquarters staff since 1968 and currently serves as director of the National Security and Foreign Relations Divisions, as well as Executive Director of Washington Headquarters office.

Robert Charles Smith, National Commander, American Legion
A veteran of WW II, he has been a Legion member for 31 years. A graduate of Louisiana Tech University, he is manager of financial and administrative services for the International Paper Company's Springhill, Louisiana, mill.

John F. Heilman, Deputy Director of Legislation,
Disabled American Veterans

Those who will brief prior to your arrival:

Lt Gen Arnold W. Braswell, Director of Plans and Policy Directorate, OJCS

Paul Henze, NSC Staff

Nelson Ledsky and Raymond Ewing, State Department

Lt Col Mike Wiedemaier, JCS

C. Press Plan: White House photographer

III. TALKING POINTS

1. We know that there are a number of veterans issues which are of interest to you, such as medical care, disability compensation, veterans preference. My staff will work with you on these issues, and your problems are obviously of interest to me. Today, however, I wanted to have a chance to talk to you about our Eastern Mediterranean program.
2. The Administration's proposals concerning the Eastern Mediterranean are designed to break the impasse which is (a) frustrating progress on the Cyprus problem; (b) straining relations with two valued allies, Greece and Turkey; and (c) contributing to the serious deterioration of U.S. and NATO security interests in the Eastern Mediterranean.

3. It is this Administration's judgment that the embargo has outlived its usefulness. In fact, it has become an obstacle to the search for an equitable and lasting solution to the Cyprus problem.
4. We believe that the embargo has become an obstacle to improvement of relations between Greece and Turkey.
5. Furthermore, the embargo so poisons our relations with Turkey as to put this relationship in jeopardy. This, of course, endangers the security of the Atlantic Alliance and the entire region.
6. The Turkish armed forces have suffered from the embargo. There is no doubt that they are less effective today than they were 3 years ago, and their effectiveness is declining rapidly now. This is becoming a very serious problem for NATO.
7. NATO use of Turkish facilities is important to us not only because of Turkey's role as guardian of the Straits, its position on the Black Sea and its long border with the Soviet Union, but because Turkey is a crucial link to areas to the south and east which are also vital to us: Israel, the oil-producing countries, the routes leading past the Horn of Africa into the Indian Ocean.
8. Also we want to be able to make use of our intelligence bases in Turkey.
9. We should all remember that the Turks were our staunchest allies during the Korean War. They fought bravely side-by-side with American soldiers.
10. From the beginning of my Administration, I have been committed to working for a settlement of the Cyprus problem. We will continue to do so. It is my hope that this initiative will provide a better chance for an equitable solution to this tragic situation.
11. We value Greece as an old and trusted ally, and we place special emphasis on building an even stronger relationship for the future. We have a wide range of common interests. Our program includes FMS credits to Greece so that it can maintain its existing security commitments.
12. We have watched with admiration and respect as that country returned to its place as a leading member of the family of Western democracies.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Meeting with Second Grade Class
Abraham Lincoln School
Bangor, Maine

Saturday, May 20, 1978
11:00 a.m.
(15 minutes)
Rose Garden

by: Fran.  Voorde

I. PURPOSE: To take pictures with the President and Amy and to visit informally.

II. BACKGROUND, PARTICIPANTS, PRESS:

A. Background:

When you traveled to Maine last February and held a town hall meeting in Bangor, you invited this second grade class to visit you and Amy in the White House during the course of the Q&A. They have been working hard all year to raise enough money to sponsor the trip. They will be in Washington for three days.

B. Participants: See attached list

C. Press: Open coverage

III. FORMAT:

The group will be given a private tour of the East Wing at 10:20 a.m. Following that they will be shown to the Rose Garden, where they will visit informally with the President and Amy. The class plans to present two books to Amy, and has a book for both the President and Mrs. Carter.

Note: There is a good chance the children will ask to see Amy's tree house.

Chaperones for Abraham Lincoln School Washington, D. C. Trip

Donna J. Chaput

Robert D. Chaput

Douglas R. Corvey

Sharon M. Corvey

Edith B. Gibbons

John W. Kunz

Benjamin B. Twitchell III

Ruth Ann Winchester

A. Lincoln Second Graders

Alho, Kristin L.

Arnold, Janice A.

Bartlett, Robert A.

Crichton, Margaret M.

Damon, Ross K.

Davis, Danielle L.

Dearing, Timothy M.

Doughty, Brian E.

Dow, Wendy A.

Duren, Kevin M.

George, Cynthia M.

Granholm, Jeffrey T.

Harnish, Craig J.

Johnston, Anne J.

Kominsky, Andrew L.

Kunz, Christine M.

Mullen, Kevin M.

Patterson, LeRoy F. Jr.

Perkins, Sandra A.

Pierce, Donna C.

Rackliff, Jared L.

Rogers, Harold J.

Schonberger, Benjamin P.

Scovil, Douglas G.

Smith, Dane

Stewart, Jonathan M.

Stilphen, Melissa D.

Twitchell, Scott K.

Winchester, Leslie A.

THE WHITE HOUSE

WASHINGTON

May 19, 1978

MEETING WITH JUDI ANDERSEN - MISS U.S.A. 1978

Friday, May 19, 1978

3:30 p.m. (3 Minutes)

The Oval Office

From: Frank Moore *fm/oad*

I. BACKGROUND

Senator Daniel Inouye (D-Hawaii) requested that you meet very briefly with Judi Andersen. Miss Andersen is from Honolulu, Hawaii, and was chosen Miss U.S.A. on April 29. She is a former stewardess for Hawaiian Airlines and to the best of Senator Inouye's knowledge she is the first Hawaiian to receive this honor. Miss Andersen is on her way to Mexico where she will compete in the Miss Universe contest.

II. PARTICIPANTS

Senator Daniel Inouye
Judi Andersen, Miss U.S.A.
Barbara Johnson, Miss U.S.A.'s escort
Henry Giugni, Inouye's Administrative Assistant

III. PRESS PLAN

White House Photo Only

10:30 AM

THE WHITE HOUSE

WASHINGTON

May 19, 1978

MEETING WITH STATE CHAIRMEN AND GUESTS

Roosevelt Room

10:30 a.m. (10 minutes)

by: Tim Kraft

I. PURPOSE: Introductory Meeting

II. BACKGROUND, PARTICIPANTS, PRESS:

A. BACKGROUND:

These state chairmen and their guests have been invited by Tim Kraft to come to the first in a series of briefings conducted by Senior White House staff members to give them some insight on Administration policies and legislative initiatives. This is the first time, for many of the chairmen, to visit the White House.

B. PARTICIPANTS:

Roger Anderson, democratic guest, Alaska
Don Anselmi, State Chair, Wyoming
George Bailes, State Chair, Alabama
Michael Bleicher, State Chair, Wisconsin
Herby Branscum, State Chair, Arkansas
Dorothy Bush, DNC Secretary, Alabama guest
Anne D. Campbell, President, Association of
State Chairs
Neale V. Chaney, State Chair, Washington
Ron deLugo, Delegate to Congress from the
Virgin Islands
James C. Dillon, State Chair, West Virginia
Betty Drumheller, Guest, Washington, DNC
member; strong supporter
Dennis Earhart, A.A. to Congressman Roncalio,
guest, Wyoming
Andy Edge, State Chair, Alaska
Jeffrey Farrow, State Chair, Virgin Islands
Ms. Jimmie Lou Fisher, Guest, Arkansas
M. Blane Michael, aide to Jay Rockefeller,
guest, West Virginia
Louis Rhodes, guest, Arizona
Laurence Weinstein, Jewish fundraiser, DNC
contributor, friend of Pat Lucey,
guest, Wisconsin
Matt Wheeler, State Chair, Arizona

C. PRESS PLAN: White House Photographer

III. TALKING POINTS: Brief greeting and photo; thank for their interest and involvement in policies of Administration; urge them to speak out on programs to Congress and at home.

THE WHITE HOUSE
WASHINGTON
May 19, 1978

Jim McIntyre
Stu Eizenstat

The attached was returned in
the President's outbox today
and is forwarded to you for
your information. The signed
original has been given to
Bob Linder for appropriate
handling.

Rick Hutcheson

cc: Bob Linder

Jack Watson

Anne Walker

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
X	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
X	MCINTYRE
	SCHULTZE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SCHNEIDERS
	VOORDE
	WARREN
	WISE



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

MAY 18 1978

*Jim - Steen, entire
but our urban policy
proposal is
excessively
fragmented*

SIGNATURE

MEMORANDUM FOR:

THE PRESIDENT

FROM:

James T. McIntyre, Jr. *Jim*

SUBJECT:

Proposed 1979 Budget Amendment for the
Department of Justice

Attached for your approval and signature is a fiscal year 1979 budget amendment for the Department of Justice, Law Enforcement Assistance Administration. This proposal has been approved as part of your urban program. This request is being sent to you as an individual item, separate from a consolidated package, in response to a request by Mr. Eizenstat and Mr. Carp of the White House Staff.

RECOMMENDATION

That you sign the letter transmitting this request to the Congress. Transmittal at this time is recommended in order to allow for proper consideration by the Senate Appropriations subcommittees during their markups scheduled for May 19 - June 16.

Attachments



Estimate No. _____
95th Congress, 2nd Session

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

MAY 18 1978

The President

The White House

Sir:

I have the honor to submit for your consideration a proposed amendment to the request for appropriations for the fiscal year 1979 in the amount of \$10,000,000 for the Department of Justice. The details of this request are contained in the enclosure to this letter.

I have carefully reviewed the proposal for appropriations contained in this document and am satisfied that this request is necessary at this time. I recommend, therefore, that this proposal be transmitted to the Congress.

Respectfully,

Jim McIntyre

Enclosure

DEPARTMENT OF JUSTICE

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

Budget appendix page		1979 request pending	1979 proposed amendment	1979 revised request
612	Salaries and expenses	\$641,488,000	\$10,000,000	\$651,488,000

This amendment would provide funds for urban crime prevention programs as part of the President's urban initiative program. This proposal will increase fiscal year 1979 outlays by \$7 million.

THE WHITE HOUSE

WASHINGTON

The President

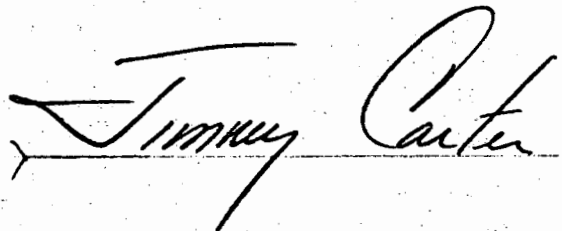
of the Senate

Sir:

I ask the Congress to consider an amendment to the request for appropriations for the fiscal year 1979 in the amount of \$10,000,000 for the Department of Justice.

The details of this proposal are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Respectfully,

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is written in a cursive style with a horizontal line underneath the name.

Enclosure

2568

THE WHITE HOUSE
WASHINGTON
May 19, 1978

Jim Fallows

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been given to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder



GENERAL COUNSEL

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

MAY 16 1978

*Retype
1st page
J*

MEMORANDUM FOR: THE PRESIDENT
FROM: WILLIAM M. NICHOLS
SUBJECT: Prayer for Peace - Memorial Day,
May 29, 1978

Enclosed, in accordance with the provisions of a joint resolution adopted by the Congress in 1950 (64 Stat. 158) and Section 6103 of Title 5 of the United States Code, is the annual "Prayer for Peace/Memorial Day" proclamation. It was originally submitted by the Department of State and was revised in this office.

The enclosed proclamation designates Memorial Day (May 29, 1978) as a day of prayer for permanent peace. In accordance with custom, as codified in Section 174(d) of Title 36 of the United States Code, it calls for the display of the flag at half-staff until noon of that day.

The enclosed proclamation has the approval of the Director of the Office of Management and Budget.

Enclosure

PRAYER FOR PEACE
MEMORIAL DAY, MAY 29, 1978

- - - - -

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA
A PROCLAMATION

We pause at this time of year to remember those who sacrificed their lives over the last two centuries to preserve America's freedoms.

We honor them today for their faith in the principles of liberty and justice which motivated our founding fathers, and must motivate us today.

The highest tribute we can pay those who fought and sometimes died for our country is to strengthen in time of peace those values for which they struggled in time of war.

Let us pray for peace, but
Let us also vow that, if the test of *unavoidable combat* ~~war~~ should ever come again, we will meet it with courage, and devotion *to our country*.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby designate Memorial Day, May 29, 1978, as a day for all Americans to join together in prayer for lasting peace. To that end, I designate the hour beginning in each locality at 11 o'clock on the morning of that day as the appropriate time for the American people to unite in prayer.

I call upon the appropriate officials of all levels of government to fly the flag at half-staff until noon during Memorial Day on all buildings, grounds, and naval vessels throughout the United States and in all areas under its jurisdiction and control. I request the people of the

THE WHITE HOUSE
WASHINGTON
May 19, 1978

Stu Eizenstat
Jim McIntyre

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

MCINTYRE MEMO ON PENSION
COMMISSION

cc: Frank Moore
Jim Gammill

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
X	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
X	MCINTYRE
	SCHULTZE

	ADAMS
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	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

THE WHITE HOUSE
WASHINGTON

5/19/78

Mr. President:

Congressional Liaison and
DPS are in agreement that
CL should contact the 8
committee chairmen, and
ask them to expedite passage.
It might be possible to
do this by attaching an
amendment to a House-passed
bill in the Senate.

Rick

THE WHITE HOUSE

WASHINGTON

May 18, 1978

*Modify / expand
press release to
include some
reasons for our
concern*

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*
FRANK RAINES
ELLEN GOLDSTEIN *J*

SUBJECT:

McIntyre Memorandum on Pension
Commission

We have been working with OMB to expedite the creation of the pension commission. Interviews are being conducted for an executive director and potential members are being contacted on their availability to serve. By the end of next week, we should have the executive order and legislation cleared and a list of members available for approval.

The timing of the announcement of the commission turns on a technical requirement of the new budget law. That provision limits the duration of a commission established by executive order to one year. This commission will last for two years, thus requiring legislation. The later we start the clock running on the executive order the more time Congress has to pass the legislation. Also, there are not sufficient funds in your Unanticipated Needs Fund to pay for the commission, so we need to obtain an appropriation. Jim McIntyre is concerned that we might not obtain the needed legislation before the funds and/or the executive order run out which would effectively terminate the commission in mid-stream.

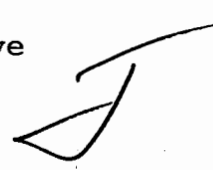
I believe these problems can be resolved in a way which will permit us to speed up the announcement of the commission. First, Frank Moore should contact the chairmen of the eight committees which will need to consider the commission legislation and obtain commitments to expedite passage. Second, we should modify the executive order to make its effective date

July 3, but issue it sooner. These two steps would permit us to appoint the members and send up the legislation sooner than July 3, assuming the clearances by the personnel office can be expedited.

If you approve of this approach I will work with Frank, Jim and the personnel office to coordinate the necessary steps. Although Mr. Kirbo has not given us a definite answer as of yet, we are operating under the assumption that he will chair the commission with the understanding that he is free to resign if he is required to submit to Senate confirmation.

Decision

☒ Approve approach above
☐ Disapprove





EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

MAY 17 1978

ACTION

MEMORANDUM FOR: THE PRESIDENT

FROM: James T. McIntyre, Jr. *J. McIntyre*

SUBJECT: The Establishment of the Commission
on Retirement Policy

The Executive order to establish the Commission on Retirement Policy has been sent to the Department of Justice for clearance and the required budget amendment and supplemental for the legislation are being included in our next package to send to the Congress. You will also be receiving shortly a request for \$175,000 from the Unanticipated Needs Fund to be used until the legislation is enacted. The Domestic Policy Group and OMB staff are now in the process of recruiting both potential Commission members and technical staff director for the Commission.

I want to recommend that the Executive order to establish the Commission on Retirement Policy be signed on the first Monday in July (the 3rd of July). The intervening six weeks will be used to complete the recruitment of the Commission members and executive director so that the Commission can begin its actual work the day the order is signed. Since the Commission has only two years to complete its charter it can not afford to waste part of those two years getting organized.

It is also important that a legislative strategy be developed and congressional sponsors chosen for the legislation. The Commission can not exist for more than a year without funds approved by Congress for the explicit purpose of a Retirement Commission. It is possible to get an appropriation without substantive legislation, but this procedure is subject to a point of order and thus risky. Therefore, the Administration should commit itself to getting the legislation as soon as possible to prevent an unanticipated and premature termination of the Commission.

Attached to this memo is a draft press release that discusses the establishment of the Commission on July 3rd. If you wanted to publicly discuss the Commission before July 3rd you could use this release; alternatively it could be used as a press release when the Executive order is signed.

Attachment

DRAFT WHITE HOUSE PRESS RELEASE

President Carter will sign an Executive order on July 3rd to establish a Commission on Retirement Policy. The President wants to begin immediately to review the present condition of our retirement systems in the United States, but because this subject is so important he would like to have congressional assistance and concurrence in this task. Therefore he is also sending to Congress, today, substantive legislation that would provide a statutory basis for this Commission.

The Commission would:

- Provide an overview of all existing retirement survivor and disability programs;
- Assess the ability of the economy to meet promises of benefits in the future;
- Devise a national policy on retirement that can be used as a guide by all programs; and
- Propose reforms that will be required to meet policy goals.

About 27 percent, or \$137 billion, of estimated Federal spending for fiscal year 1979 will go for retirement and disability benefits. Most payments will be through the Social Security, Federal employee and military retirement systems. These Federal benefits represent approximately three-fourths of the total benefits disbursed in the United States to retired or disabled workers and their families.

Almost 20 percent of the population receives benefits from public and private retirement, survivor and disability programs. Yet there has never been a comprehensive national or Government retirement policy. While some systems are the result of careful planning, the structure they form reflects the lack of coordination among them, causing not only costly overlaps but also unanticipated gaps among programs. The existing problems will be magnified as the population ages and the programs become an increasing share of both the Federal budget and gross national product.

Among specific issues to be explored by the Commission on Retirement Policy are appropriate retirement ages for different occupations, and the effect of retirement programs on savings and investment. At the Federal level the Commission would probe such areas as "double dipping."

--oo0oo--

THE WHITE HOUSE
WASHINGTON

4-21-78

To Jim

Sta

Expedite pension

Commission

J

THE WHITE HOUSE

WASHINGTON

12 May 1978

C

MEMORANDUM FOR THE PRESIDENT

FROM:

RICK HUTCHESON *R.H.*

SUBJECT:

Status of Presidential Requests

VICE PRESIDENT:

1. (4/17) Please call Marian Edelman and Coretta King regarding the Head Start Program in the Department of Education -- In Progress, (the Vice President's staff has called Edelman, who has not changed her mind on this subject; Stu will call Mrs. King the week of 5/15).

LIPSHUTZ:

1. (5/2) Check with the CAB regarding the Bermuda II Agreement and Logan Airport -- In Progress, (with Stu who is combining with similar material, expected 5/15, previously expected 5/12). *Exped. to*
2. (5/7) Call American Express about their attempted sale of "Official White House Silverware" -- In Progress, (with Clem Conger and McKenna, expected 5/17). *✓*

EIZENSTAT:

1. (4/12) (and McIntyre) Expedite Pension Commission -- In Progress, (with OMB; Executive Order, legislation and proposed appointees expected 7/1). *Prepare statement for me*

2. (4/21) Comment; the President wants to hold to maximum deregulation and minimum budget costs, and is willing to fight it out with Congress -- Done. *Subject?* *done*

WASHINGTON

DATE: 18 MAY 78

FOR ACTION: STU EIZENSTAT

*- should sign
Ex Order before
July 3rd, per Joanne*FRANK MOORE (LES FRANCIS) *attached*

INFO ONLY: THE VICE PRESIDENT

TIM KRAFT

JODY POWELL

JACK WATSON *h c*

NELSON CRUIKSHANK

JIM GAMMILL

SUBJECT: MCINTYRE MEMO RE THE ESTABLISHMENT OF THE COMMISSION
ON RETIREMENT POLICY

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: +

ACTION REQUESTED: IMMEDIATE TURNAROUND

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

WASHINGTON

DATE: 18 MAY 78

FOR ACTION: STU EIZENSTAT

FRANK MOORE (LES FRANCIS)

*50001 Thaw
7/1*

*XC: CABLE
TATE
FM
Ronna*

INFO ONLY: THE VICE PRESIDENT
JODY POWELL
NELSON CRUIKSHANK

TIM KRAFT
JACK WATSON *nc*
JIM GAMMILL

SUBJECT: MCINTYRE MEMO RE THE ESTABLISHMENT OF THE COMMISSION
ON RETIREMENT POLICY

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: +
+++++

ACTION REQUESTED: IMMEDIATE TURNAROUND

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

In the Senate this bill would be referred to one committee (Government Affairs) initially with subsequent referrals to other committees -- as many as four to five others possibly. The best strategy appears to be to proceed with an amendment to a House-passed bill in the Senate. (DT)

THE WHITE HOUSE
WASHINGTON

May 19, 1978

Bob Lipshutz

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

cc: Rick Hutcheson
Hamilton Jordan
Peter Bourne
Hugh Carter
Richard Harden

AUTHORIZATION OF DETAILEES AND
VOLUNTEERS

	FOR STAFFING
	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION
FYI

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	CONFIDENTIAL
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	EYES ONLY

	VICE PRESIDENT
	EIZENSTAT
<input checked="" type="checkbox"/>	JORDAN
	KRAFT
<input checked="" type="checkbox"/>	LIPSHUTZ
	MOORE
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	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ADAMS
	ANDRUS
	BELL
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	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

THE WHITE HOUSE
WASHINGTON
May 18, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: PETER BOURNE *P.B.*

SUBJECT: AUTHORIZATION OF DETAILEES AND VOLUNTEERS.

*To Bob Lipschutz -
Make a recommendation
to me. Assess respon-
sibly the duties I
have assigned to Dr. Bourne
& how he is to carry
them out.*

J.C.

*cc Hugh
Peter*

On August 1st at the Cabinet Meeting you asked members of the Cabinet to make available to me detailees to carry out the various projects I was involved in. In view of the fact that apart from myself, I have no slots on the White House staff, even for my personal secretary, this was essential for me to perform my job. In addition, consistent with what I understood to be your preference I have obtained the services of a number of volunteers who have been willing to contribute considerable talent at no cost to the government. This arrangement has been very satisfactory and has allowed me to maintain a high level of productivity.

The attached memo from Hugh Carter therefore causes me serious problems in that I will have only one person available after the end of this month, to continue the work I have been doing on world hunger and the establishment of the commission, National Health Insurance, the implementation of the National Commission on the International Year of the Child, Liaison with the U.N. Specialized Agencies and particularly the implementation of the international health strategy. The latter is of particular concern in light of the highly favorable response your Statement and Joe Califano's speech received worldwide. Dr. Krystynak, a reimbursable detailee is responsible for coordinating and guiding the four interagency working groups and completing the final strategy and any required decision memos by September of this year, in accordance with the work plan which you approved three weeks ago.

I would not bother you with such a mundane matter if Hugh had not insisted that you be involved. I would like to ask you to respond to Hugh's request and personally approve extension of Dr. Krystynak's detail. Also, it would be very helpful if you would confirm that I may use up to a total of six volunteers and short-term detailees to meet my health staff requirements.

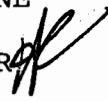
PGB:ss

Attachment

THE WHITE HOUSE

WASHINGTON

May 16, 1978

MEMORANDUM FOR: PETER BOURNE
FROM: HUGH CARTER 
SUBJECT: Detaillee Requests

I am writing in response to your recent requests for approval and extension of detailees to your office.

As I wrote you on April 24, 1978, unless the President personally approves these in writing, I cannot concur with your requests to:

- approve Frances Magrabi and Artemis Simopoulos as details
- extend Betsy and Leonard Krystynak past their expiration date of 5/16/78.

THE WHITE HOUSE

WASHINGTON

May 18, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

ROBERT LIPSHUTZ
HAMILTON JORDAN

RL
HJ.

You have received Hugh Carter's May 17 memorandum regarding "Detailee Request from Dr. Peter Bourne." Attached is Peter's memorandum regarding the same subject.

We suggest that you refer this to the Personnel Committee for resolution.

We will keep you informed.

CONFIDENTIAL

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

May 19, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Ray Marshall *Ray*

SUBJECT: Labor Law Reform

Senate debate began on Tuesday, May 16 on the Labor Law Reform Bill. After opening statements by Senators Williams and Javits, it became clear that the opposition was going to conduct a well-organized filibuster led principally by Senators Hatch, Lugar, Tower and approximately seven other conservative Republicans. The opponents are trying to focus the debate on issues which have nothing to do with the substance of the actual bill. Instead they are concentrating on "union bosses," "labor racketeering", "inflation", "destroying small business", and other matters which go to the heart of our national policy of fostering industrial democracy. It is almost certain that this will continue to be the tone of the debate for some time to come.

Cloture

I believe that we are still in a strong position to break the filibuster. Senator Byrd announced publicly yesterday that he would not file a petition to invoke cloture until after the one-week Memorial Day recess which begins on May 26. I spoke with Senator Byrd yesterday. We agreed that this was the best strategy so that Senators would not have to face additional pressure which would be put on them if the first vote were to occur before they had to go home for the recess period. Delaying this first vote until June 7 will also put us in a better position to have a stronger first showing since there will have been more than two weeks of debate and more Senators will feel that enough time has elapsed. Additional cloture votes will probably be scheduled for later in that week and probably early the following week.

APPROVED TO BE AN ADMINISTRATIVE
FILED BY *Jay*

DATE *6/28/90*

The Vote Count

I expect that we will get between 51 and 53 votes for the first cloture petition. By the second vote we should have between 55 and 57 votes. The real tests will come on the third and fourth try for cloture.

As I see it now, there are 11 Senators on whom we must concentrate during the next two weeks. These Senators are: Stevens, Long, Cannon, Hatfield (Oregon), Sparkman, Bumpers, Percy, Heinz, Brooke, Zorinski, and Chiles. I also feel that we might consider some work on Nunn, Talmadge, Bentsen, and Stone at a later time.

My staff and I have been working closely with the AFL-CIO, the UAW, Frank Moore, Bob Thompson, Dan Tate and Vice President's staff to coordinate our lobbying efforts. We have begun to meet regularly at the White House to discuss strategy and at our first meeting last night Landon Butler and Anne Wexler also participated.

Strategy

We have no certain idea whether the opposition plans to do anything other than try to continue the filibuster. It is possible that next week they may try to offer non-germane amendments dealing with the Landrum-Griffin Act. It will be our plan to table these amendments if they are called up.

I am continuing to do newspaper interviews, television appearances, and make other public statements about the need for the bill in order to educate the public and make clear that this is a high Administration priority. During this first week I took a fairly aggressive public posture but will now begin to use a more low key approach. It may be useful for you to make one public statement about your support for the bill next week.

I will be seeing additional Senators next week to talk about the bill and I believe that it would be helpful for you or the Vice-President to call two or three

Senators before they go home for the recess. Frank Moore will talk to you further about those Senators you might call.

Conclusion

In general I am very encouraged about our progress. The mood in the Senate is very good and I believe we can win a big victory on the bill. There will be some compromise amendments worked out on the three issues that we discussed on Monday - Small Business, Equal Access and Election Timetables. We are also continuing to think about how we deal with the problem of the post-cloture filibuster although when that time comes we will have significant assistance from Senator Byrd in resolving the problem. Senator Byrd and I have agreed to keep in close contact about future strategy.